
**CASTLE PINES
METROPOLITAN DISTRICT**
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2016

Prepared by Sue Mantz
Accounting Supervisor

Castle Rock, Colorado



RECEIVED

By the Office of the State Auditor at 7:17 am, Aug 17, 2017

Contents

	Page
Introductory Section	
Letter Of Transmittal.....	1 - 4
Certificate Of Achievement For Excellence In Financial Reporting.....	5
Organizational Chart	6
List Of District Officers	7
Financial Section	
Independent Auditors' Report.....	8 - 10
Management's Discussion And Analysis (Unaudited).....	11 - 18
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement Of Net Position	19
Statement Of Activities	20
<i>Fund Financial Statements</i>	
<i>Governmental Funds</i>	
Balance Sheet.....	21
Reconciliation Of The Balance Sheet Of Governmental Funds To The Statement Of Net Position.....	22
Statement Of Revenues, Expenditures And Changes In Fund Balances.....	23
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	24

Contents

	Page
<i>Proprietary Fund</i>	
Statement Of Net Position	25
Statement Of Revenues, Expenses And Changes In Net Position.....	26
Statement Of Cash Flows.....	27
Notes To Basic Financial Statements.....	28 - 58
Required Supplementary Information	
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - General Fund.....	59
Infrastructure Condition And Maintenance Data	60 - 61
Schedule Of The District's Proportionate Share Of The Net Pension Liability	62
Schedule Of The District's Contributions To The Pension Plan	63
Supplementary Information	
<i>Individual Fund Statements And Schedules</i>	
<i>Governmental Funds - General Fund</i>	
Comparative Balance Sheet	64
Comparative Schedule Of Revenues, Expenditures And Changes In Fund Balance.....	65
<i>Proprietary Fund - Major Enterprise Fund</i>	
Water And Sewer Fund	
Schedule Of Revenues, Expenses And Changes In Net Position - Budget And Actual (Non-GAAP Budgetary Basis).....	66

Contents

	Page
Statistical Section	
Statistical Section - Table Of Contents	67
Net Position By Component	68
Changes In Net Position.....	69 - 70
Governmental Funds Fund Balances	71
Governmental Funds Changes In Fund Balances	72
Assessed Value And Actual Value Of Taxable Property	73
Direct And Overlapping Property Tax Rates	74
Principal Property Tax Payers.....	75
Governmental Funds Property Tax Levies And Collections	76
Ratios Of Outstanding Debt By Type	77
Ratios Of Net General Bonded Debt Outstanding And Legal Debt Margin	78
Direct And Overlapping Governmental Activities Debt	79
Pledged Revenue Coverage, Water And Sewer Bonds.....	80
Demographic And Economic Statistics - Castle Pines Metro District	81
Demographic And Economic Statistics - Douglas County	82
Principal Employers In Douglas County	83
Full-Time Equivalent District Government Employees By Function	84
Operating Indicators By Function	85
Capital Asset Statistics By Function/Program	86



CASTLE PINES METROPOLITAN DISTRICT

5880 Country Club Drive, Castle Rock, Colorado 80108
p | 303-688-8330 f | 303-688-8339

July 26, 2017

TO: Board of Directors
Castle Pines Metropolitan District

State law requires that all local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Castle Pines Metropolitan District (District) for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by **RUBINBROWN LLP**, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's

financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with US GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

US GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District is a political subdivision of the State of Colorado. The District was organized by a court order on June 14, 1973, following an election by the property owners in the District, and is governed by a five-member, elected Board of Directors.

The District provides the services contemplated by the District's Service Plan. Such services include street repair and maintenance, snow removal, road right-of-way maintenance, water treatment, water distribution, sewer collection, and storm drainage management services to the property owners of the District, as approved by the Board of Directors. The geographical area served by the District is a suburban area, the majority of which is residential or recreational property with limited service areas, a small commercial area and no manufacturing. The economic impact of the limited service property served by the District is minimal.

The District is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which may occur when deemed appropriate by the governing board.

The annual budget serves as the foundation for the District's financial planning and control. All departments of the District are required to submit requests for appropriation to the District Manager. The District Manager uses these requests as the starting point for developing a proposed budget. The District Manager then presents this proposed budget to the Board of Directors (the Board) for review by October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15 of each year. The appropriated budget is prepared by fund. The District can amend the approved budget only with the approval of the Board.

Budget-to-actual comparisons are provided in this report for each of these funds for which an appropriated annual budget was adopted. For the general fund, these comparisons are presented on page 59 as part of the required supplementary information for the governmental funds. The enterprise fund comparison is presented on page 66.

Economic Condition

The District is located within Douglas County, Colorado, which has been one of the fastest growing counties in the United States. The building has increased in the Village due to the changing economy. The District's operation and maintenance of streets, snow removal and water usage is expected to increase over the next several years as the economy picks back up and the building of additional residential properties continues.

Long Term Financial Planning

In December 2006, the District completed work on a Long Range Master Plan (LRMP) with the assistance of professional engineers and water consultants. This LRMP contains information on the background of the District, Existing Water System and Facilities, Future Water Supply, Capital Improvement Plan Projects with a Financial Plan projecting revenue and expenses out to 2050.

The Long Range Plan is being updated in 2017. This plan shall include a comprehensive review of and recommendations needed to implement a conjunctive use plan, water treatment facilities, water storage, reuse infrastructure, and water conveyance systems. Particular attention will be devoted to the following:

- Estimated retrofit cost for the water wells used for aquifer recharge
- Estimated cost for water treatment capacities and methods needed for future development and conjunctive use.
- Storage solutions are currently being reviewed for aquifer recharge; the District is participating in 10 AC FT of the Chatfield Re-allocation Project; and a new water storage tank was in design phase for 2016 & construction planned for 2017
- A new sand storage facility site is being reviewed in 2017.

Awards and Acknowledgements

Independent Audit. State law requires the District to have its financial statements audited by an independent firm of certified public accountants. The Board of Directors selected **RUBINBROWN LLP** to fulfill this requirement. **RUBINBROWN LLP**, provided an unqualified opinion on the 2016 financial statements.

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the nineteenth consecutive year that the District has received this award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both US GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of this report would not have been possible without the efficient and dedicated services of LeAnna Gonzales, AP/AR Specialist and Carolyn Frainier, Administrator, who assisted with supplying specific information for the completion of this document.

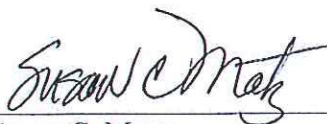
We would like to thank the independent certified public accounting firm of **RUBINBROWN LLP** for their input and able assistance and the professional manner in which they have performed their audit engagement.

Lastly, we would like to express our appreciation and sincere thanks to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Jeff Coufal
District Manager



Susan C. Mantz
Accounting Supervisor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Castle Pines Metropolitan District
Colorado**

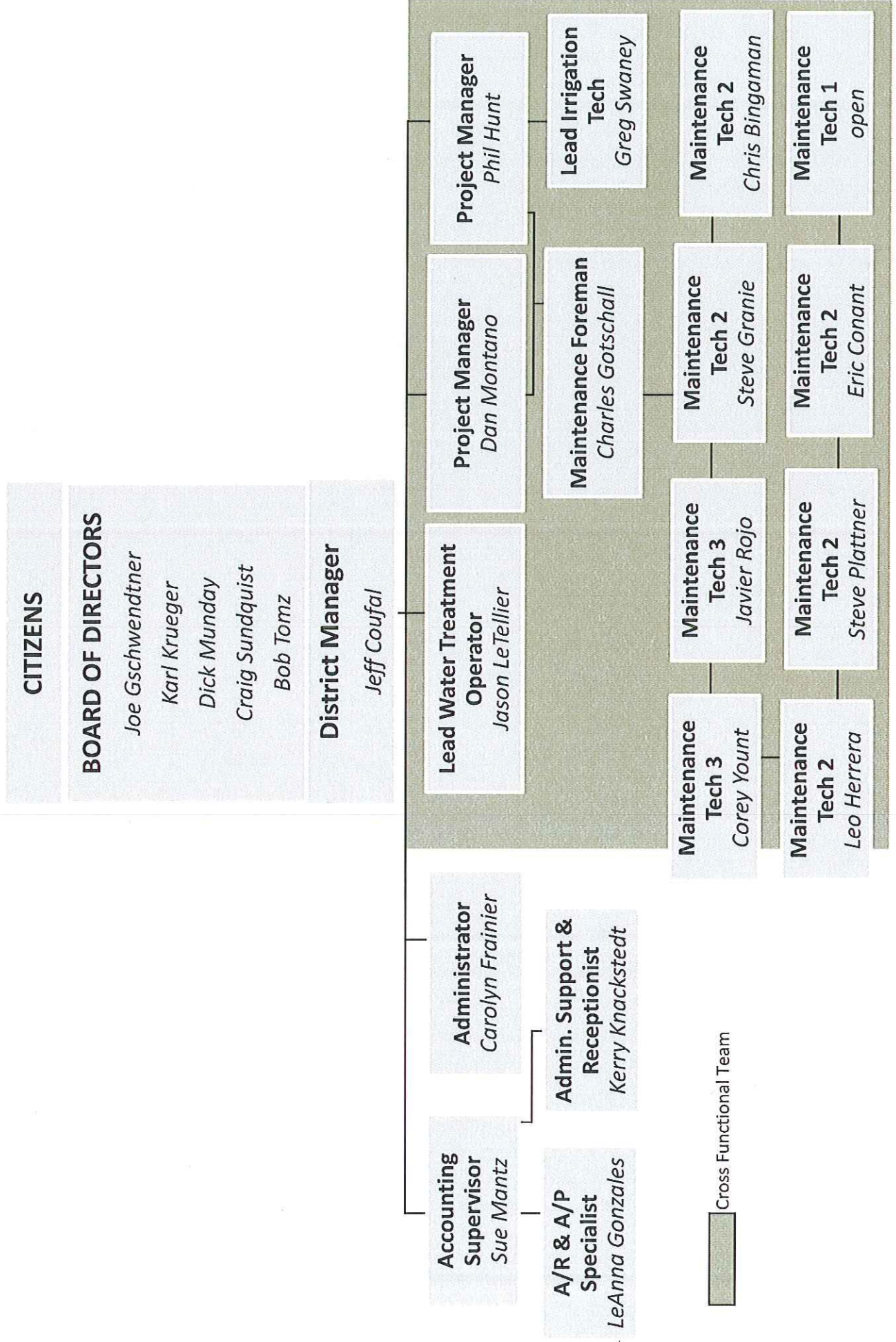
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

December 2016



CASTLE PINES METROPOLITAN DISTRICT

List of District Officers

As of December 31, 2016

<u>ELECTED OFFICIALS</u>	<u>APPOINTMENT DATE</u>	<u>TERM EXPIRATION DATE</u>
Craig Sundquist, Chair/President	May 2014	May 2018
Joe Gschwendtner Vice-Chair/Vice-President	April 2015	May 2016
Bob Tomz, Treasurer	May 2012	May 2016
Dick Munday, Secretary	May 2014	May 2018
Karl Krueger Director	May 2014	May 2018

DEPARTMENT OFFICIAL

District Manager
Mr. Jeff Coufal

CONSULTANTS

District Counsel
Ms. Rita Connerly, Esq.
Fairfield & Woods, P.C.



RubinBrown LLP
Certified Public Accountants
& Business Consultants

1900 16th Street
Suite 300
Denver, CO 80202

T 303.698.1883
F 303.777.4458

W rubinbrown.com
E info@rubinbrown.com

Independent Auditors' Report

Board of Directors
Castle Pines Metropolitan District
Castle Rock, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Castle Pines Metropolitan District (the District), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matters

As discussed in Note 1, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, effective for the year ended December 31, 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 18, the budgetary comparison schedule on page 59, the infrastructure condition and maintenance data on pages 60 and 61, schedule of the District's proportionate share of the net pension liability and the schedule of the District's contributions to the pension plan on pages 62 and 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report On Summarized Comparative Information

We have previously audited the District's 2015 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated June 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

RubinBrown LLP

July 18, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Castle Pines Metropolitan District's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2016. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 4 of this report.

Financial Highlights

- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$59,434,609 (net position) as of December 31, 2016 (page 19). This total net position is comprised of the following:
 - (1) Net investment in capital assets of \$42,753,750 include property, equipment and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$112,000 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws or regulations.
 - (3) Unrestricted net position of \$16,568,859 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's governmental fund reported a total ending fund balance of \$9,642,940 this year (page 23). This compares to the prior year ending fund balance of \$8,763,588 showing an increase of \$879,352 during the current year. This increase resulted from (a) revenues in excess of expenditures of \$1,203,911, (b) \$45,300 proceeds from the sale of assets, and (c) net of \$369,859 transfer from the general fund to the proprietary fund.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$9,528,430 (page 21).

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative 2015 data is presented when available and applicable.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements (pages 19 & 20). These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position* (page 19). This is the government-wide statement of position presenting information that includes all of the District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as *net position*. Over time,

increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report. This December 31, 2016 Statement of Net Position reflects the newly adopted pension plan disclosures which were adopted in 2015.

The second government-wide statement is the *Statement of Activities* (page 20), which reports how the District's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the District include general government and public works. The business-type activities of the District include water and sewer services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. All of the District's funds are classified as major and are separately reported.

Governmental Funds. The District maintains one governmental fund, the General Fund. The basic governmental fund financial statement is presented on pages 21 - 24 of this report.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The *Proprietary fund* is reported in the fund financial statements and generally report services for which the District charges customers a fee. The District's one proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. The District services approximately 1,658 homes inside the District boundaries. The basic enterprise fund financial statements are presented on pages 25 – 27 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentations and the modified approach for infrastructure. Budgetary comparison statements are included as "required supplementary information" for the general fund. Budgetary comparison schedules for the debt service and enterprise funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. Required supplementary information can be found on pages 59 - 63 of this report.

As discussed, the District reports major funds in the basic financial statements. The individual statements and schedules of these funds are presented in a subsequent section of this report on pages 64 - 66. In addition, the District provides pertinent statistical information starting on page 67.

Financial Analysis of the District as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position at calendar year-end is \$59,434,609 (page 19). The following table provides a summary of the District's net position:

	Governmental Activities				Business -type Activities			
	2016	2015	\$ Change	% Change	2016	2015	\$ Change	% Change
Assets								
Current Assets	\$14,890,085	\$13,864,071	\$1,026,014	7%	\$ 9,030,794	\$ 8,353,962	\$ 676,832	8%
Capital Assets	13,800,568	13,268,367	532,201	4%	31,714,672	32,071,884	\$ (357,212)	-1%
Deferred Outflows	276,816	149,985	\$ 126,831	85%	208,825	113,146	\$ 95,679	85%
Total Assets & Deferred Outflows	28,967,469	27,282,423	1,685,046	6%	40,954,291	40,538,992	415,299	1%
Liabilities:								
Current Liabilities	180,647	98,953	81,694	83%	406,569	525,547	(118,978)	-23%
Long-term Liabilities	1,224,487	1,076,578	147,909	14%	3,514,769	3,893,175	(378,406)	-10%
Deferred Inflow - Property Tax	5,067,998	5,003,030	64,968	1%	-	-	-	-
Deferred Inflow - Pension	52,828	210	52,618	100%	39,853	159	39,694	100%
Total Liabilities & Deferred Inflows	6,525,960	6,178,771	347,189	6%	3,961,191	4,418,881	(457,690)	-10%
Net position	22,441,509	21,103,652	1,337,857	6%	36,993,100	36,120,111	872,989	2%
Net Investment								
in Capital Assets	13,800,568	13,268,367	532,201	4%	28,953,182	28,813,233	139,949	0%
Restricted - Tabor	112,000	93,000	19,000	20%	-	-	-	-
Unrestricted	8,528,941	7,742,285	786,656	10%	8,039,918	7,306,878	733,040	10%
Total Net Position	\$22,441,509	\$21,103,652	\$1,337,857	6%	\$36,993,100	\$36,120,111	\$ 872,989	2%

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities, after excluding \$5,067,998 of 2016 property taxes to be collected in 2017, is 54.4 to 1 while the current ratio for business activities is 22.2 to 1. For the District overall, the current ratio after excluding 2016 property taxes is 32.1 to 1.

Note that approximately 47.6% of the governmental activities' total assets are tied up in capital. The District uses these capital assets to provide services to its homeowners. However, with business-type activities, approximately 78% of its assets are capital assets. Capital assets in the business-type activities also provide water services, but they also generate fee based revenues for this fund. Approximately 65.1% of the District's total assets are included in capital assets.

The District continues to report a very positive balance in net position for both the governmental activities and business-type activities (page 19). Net position increased by \$1,337,857 and \$872,989, respectively. During 2016, the District's overall financial position increased by \$2,210,846. The increase in governmental activities are due to (a) all property taxes being recorded in the general fund, due to the debt service fund being closed in 2015, and (b) receiving developer contributions of \$93,213. The increase in business-type activities in 2016 is due to (a) receiving developer contributions of \$298,486, and (b) additional water and sewer service revenue of \$335,665 due to high water usage during warm weather.

The government-wide information is presented with comparative data for the prior year for better analysis and trends. The following table provides a summary of the District's changes in net position:

	Governmental Activities				Business-type Activities			
	2016	2015	\$ Change	% Change	2016	2015	\$ Change	% Change
Revenues:								
Program Revenue								
Charges for Services and Sales	\$ 97,249	\$ 98,800	\$ (1,551)	-2%	\$ 3,929,537	\$ 3,593,872	\$ 335,665	9%
Capital Grants and Contributions	93,213	-	93,213	100%	298,486	-	298,486	100%
General Revenues:								
Property Taxes	5,009,056	4,250,767	758,289	18%	-	-	-	-
Specific Ownership Taxes	460,295	407,883	52,412	13%	-	-	-	-
Investment Earnings	42,456	20,159	22,297	111%	22,236	12,669	9,567	76%
Gain on Sale of Asset	51,324	36,149	15,175	100%	-	-	-	-
Miscellaneous	3,901	15,646	(11,745)	-75%	19,078	30,590	(11,512)	-38%
Total Revenue	5,757,494	4,829,404	928,090	19%	4,269,337	3,637,131	632,206	17%
Expenses:								
General Government	1,680,758	1,630,631	50,127	3%	-	-	-	-
Public Works	2,369,020	1,689,741	679,279	40%	-	-	-	-
Interest on LT Debt	-	52,937	(52,937)	-100%	-	-	-	-
Water & Sewer	-	-	-	-	3,766,207	3,689,283	76,924	2%
Total Expenses	4,049,778	3,373,309	676,469	20%	3,766,207	3,689,283	76,924	2%
Increase in net position								
before transfers	1,707,716	1,456,095	251,621	17%	503,130	(52,152)	555,282	-1065%
Transfers	(369,859)	(344,407)	(25,452)	-7%	369,859	344,407	25,452	7%
Change in Net Position	1,337,857	1,111,688	226,169	20%	872,989	292,255	580,734	199%
Beginning Net Position	21,103,652	19,991,964	1,111,688	6%	36,120,111	35,827,856	292,255	8%
Ending Net Position	\$ 22,441,509	\$ 21,103,652	\$ 1,337,857	6%	\$ 36,993,100	\$ 36,120,111	\$ 872,989	2%

GOVERNMENTAL REVENUES

The District is dependent upon property tax to fund the general fund. Total taxable assessed valuation increased from \$125,381,120 in 2015 to \$147,869,890 in 2016. The County conducts a re-assessment of property values every 2 years, in odd-numbered years. In the most recent re-assessment, the District saw an increase in collected property tax revenue of 18% overall in 2016.

GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the cost of each of the District's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the District's taxpayers by each of these functions.

Governmental Activities		
	Total Cost of Services	Net Cost of Services
General government	\$ 1,680,758	\$ (1,680,758)
Public Works	2,369,020	(2,178,558)
Total	<u>\$ 4,049,778</u>	<u>\$ (3,859,316)</u>

The District reports program revenue of \$97,249 which consists of 100% for charges for services. Developer contributions of \$93,213 were received this year. The majority of the general government functions are funded by property tax. Taxes are reported as general revenue, rather than program revenue, therefore, the net cost of services is offset by general revenues of \$5,567,032.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the water and sewer fund were \$335,665 (9.33%) more than 2015, and the operating expenses were \$76,924 (2.27%) more than 2015. The increased revenue is due to additional water usage than in prior year; the District experienced unusual cooler weather temperatures in 2015 overall, and then recorded 2 record months of high water usage in 2016 due to warm weather. The District billed for an additional 35 million gallons or 11.3% more water in 2016 compared to 2015.

Financial Analysis of the District's Funds

Governmental Funds

As discussed, governmental funds are reported in the individual fund statements. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$9,642,940. Of this year-end total, \$2,855,620 will be used for landscape, small equipment replacement, street maintenance and improvements, snow removal, storm drainage maintenance, and street improvement overlay. Non-spendable inventories total \$2,510. A restricted payment of \$112,000 is required by Tabor for an emergency reserve.

Major Governmental Funds

The General Fund is the District's primary operating fund. The general fund's fund balance increased by \$879,352 (page 23). This increase is primarily due to (a) revenues in excess of expenditures of \$1,203,911, (b) \$45,300 proceeds from the sale of assets, and (c) net of \$369,859 transfer from the general fund to the proprietary fund.

General fund total revenues increased \$1,974,716 primarily due to a \$1,911,474 increase in property taxes as a result of the District's Debt Service Fund being closed the end of 2015. All property tax revenue is now recorded under the general fund.

Property taxes of \$5,009,056 make up 90% of total general fund revenues. The other revenue classifications netted out to an increase of \$603,901.

The general fund expenditures show an increase of \$1,223,984 or 38.4% more than prior year. The majority of the increased expense is recorded in Public Works and Capital Outlay for \$649,056 and \$569,148, respectively. In 2016, Public Works had additional Street Improvement Overlay work consisting of Asphalt, Cape Seal, Slurry Seal and Speed Tables for approximately \$897,695, compared to \$353,161 in 2015. In Capital Outlay, additional expense of \$416,851 was spent for a drainage improvement, and an additional vehicle was purchased for \$49,457.

The Proprietary Fund

The proprietary fund statements (page 25) share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The majority of the revenue received in this fund is collected from water, sewer & storm rates. The enterprise fund saw a positive change in net position in 2016 of \$872,989 comprised of (a) \$350,977 of operating income, (b) \$298,486 of developer contributions, (c) a transfer of \$369,859 from the general fund to the proprietary fund, and (d) less Non-operating Revenues (Expenses) of \$146,333.

Budgetary Highlights

The General Fund – There were no amendments to the original adopted budget in 2016 (page 59).

Overall, the District recognized additional revenue of \$191,168 or 3.5% increase in revenues over the adopted budget. This increase is due to \$93,660 of additional Property Taxes collected and additional Specific Ownership Taxes of \$79,351. The District also received additional interest earnings of \$24,456 over budget.

The general government expenditures were under budget by \$415,226 or 8.6%. General Government was underspent by \$64,668, due to less personnel cost directly related to a full-time position not filled for a full year. Public Works was underspent by \$79,491 due to a storm drainage project that was budgeted, but not required. Capital Outlay was also under budget by \$271,067, which was mainly due to the design on a Storage Tank project being delayed. The District is authorized to transfer revenue from the general fund and/or receive grants, as that term is defined in the State Statutes section 37-45.1-102 in an amount less than 10% of the Enterprise' annual revenues. In 2016, the District transferred \$369,859 from the general fund to the enterprise fund.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2016, was \$13,800,568 and \$31,714,672 respectively. See Note 3 for additional information about changes in capital assets during the calendar year.

The following table provides a summary of capital asset activity.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Non-depreciable assets:						
Land	\$ -	\$ -	\$ 898,885	\$ 898,885	\$ 898,885	\$ 898,885
Infrastructure	11,515,687	11,422,474	-	-	11,515,687	11,422,474
Construction in Progress	489,052	-	118,916	17,749	607,968	17,749
Total Non-depreciable assets	12,004,739	11,422,474	1,017,801	916,634	13,022,540	12,339,108
Depreciable assets:						
Buildings	-	-	5,769,096	5,761,042	5,769,096	5,761,042
Improvements other than building	10,991	10,991	32,161,831	31,679,622	32,172,822	31,690,613
Machinery	3,464,179	3,341,262	7,683,015	7,666,413	11,147,194	11,007,675
Water Rights	-	-	2,694,232	2,694,232	2,694,232	2,694,232
Total depreciable assets	3,475,170	3,352,253	48,308,174	47,801,309	51,783,344	51,153,562
Less accumulated depreciation	(1,679,341)	(1,506,360)	(17,611,303)	(16,646,059)	(19,290,644)	(18,152,419)
Book value - depreciable assets	1,795,829	1,845,893	30,696,871	31,155,250	32,492,700	33,001,143
Percentage depreciated	-48%	-45%	-36%	-35%	-37%	-35%
Net book value - all assets	\$ 13,800,568	\$ 13,268,367	\$ 31,714,672	\$ 32,071,884	\$ 45,515,240	\$ 45,340,251

At December 31, 2016, the depreciable capital assets for governmental activities were 48% depreciated, compared to 45% of December 31, 2015.

Modified Approach to Infrastructure

The District has adopted the modified approach to report infrastructure in governmental type activities. Under the modified approach, the expenditures incurred to preserve infrastructure, at or above the governmental designated condition levels, are not capitalized. Therefore, expenditures to improve infrastructures are recorded under the public works section. The actual expense for the street maintenance came in under budget by \$52,998. The District's policy is to achieve an 85 PCI rating or higher on all streets. At the end of 2016, an average PCI of 91.16 was achieved for all of the District's roadways, which exceeded the policy. This rating allows for minor cracking and oxidation of the pavement with minor roughness that could be noticeable. All scheduled work was completed. The next condition assessment will be completed in 2017. Please refer to pages 60 & 61 for additional information.

With the District's business-type activities, 36% of the asset values were depreciated at December 31, 2016 and 35% at December 31, 2015.

Long-term Liabilities

At the end of the year the District had long-term liabilities outstanding of \$4,919,044. The total of the District's long-term liabilities represents debt secured by Drinking Water Revolving Fund loans, the Net Pension Liability for the District, and the recording of compensated absences. Where appropriate, current and long-term liabilities are presented. See Note 5 for additional information.

	Governmental Activities		Business-type Activities		Total		%Change
	2016	2015	2016	2015	2016	2015	
DWRF Loans	-	-	\$2,761,490	\$3,258,651	\$2,761,490	\$3,258,651	-15.3%
Compensated Absences	\$ 30,234	\$ 31,697	29,508	31,864	59,742	63,561	-6.0%
Net Pension Liability	1,195,753	1,046,381	902,059	789,375	2,097,812	1,835,756	14.3%
Total Long-term Liabilities	\$ 1,225,987	\$ 1,078,078	\$3,693,057	\$4,079,890	\$4,919,044	\$5,157,968	-4.6%

Economic Conditions Affecting the District

The District's economy has traditionally been residential. In the past ten years a commercial center has been added within the District's boundaries, adding approximately 24 commercial units, including a market, gas station and carwash, restaurants, fitness center, drycleaners, banking institutions and miscellaneous retail stores. The District is seeing the housing development turn-around, and with increased site plans submitted within the Village, and the District believes the future is financially stable in the Village.

The primary revenue source for the District is property tax. The District levied a total of 33.834 mills in 2016 which was distributed to the general fund.

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. Questions concerning any of the information provided in this report, or request for additional information should be addressed to Castle Pines Metropolitan District, Attn: Jeff Coufal, 5880 Country Club Drive, Castle Rock, Colorado, 80108.

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2016

Assets And Deferred Outflows Of Resources

Assets	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash and cash equivalents (Note 2)	\$ 4,731,939	\$ 2,639,288	\$ 7,371,227
Cash with fiscal agent	38,930	—	38,930
Investments (Note 2)	5,045,870	6,084,832	11,130,702
Receivables:			
Accounts	56,679	252,833	309,512
Property taxes	5,067,998	—	5,067,998
Internal balances (Note 4)	(53,841)	53,841	—
Inventory	2,510	—	2,510
Total Current Assets	14,890,085	9,030,794	23,920,879
Noncurrent Assets			
Capital assets (Note 3):			
Nondepreciable capital assets	12,004,739	1,017,801	13,022,540
Depreciable capital assets, net	1,795,829	30,696,871	32,492,700
Total Noncurrent Assets	13,800,568	31,714,672	45,515,240
Deferred Outflows Of Resources			
Deferred outflows pension (Note 6)	276,816	208,825	485,641
Total Assets And Deferred Outflows Of Resources	28,967,469	40,954,291	69,921,760

Liabilities And Deferred Inflows Of Resources

Liabilities			
Current Liabilities			
Accounts payable	178,028	179,775	357,803
Accrued expenses	1,119	—	1,119
Customer deposits	—	11,095	11,095
Accrued interest payable	—	19,153	19,153
Unearned revenue	—	18,258	18,258
Compensated absences payable, current (Note 5)	1,500	1,500	3,000
Loans payable, current (Note 5)	—	176,788	176,788
Total Current Liabilities	180,647	406,569	587,216
Long-Term Liabilities			
Compensated absences payable, net of current (Note 5)	28,734	28,008	56,742
Loans payable, net of current (Note 5)	—	2,584,702	2,584,702
Net pension liability (Note 6)	1,195,753	902,059	2,097,812
Total Long-Term Liabilities	1,224,487	3,514,769	4,739,256
Deferred Inflows Of Resources			
Deferred property tax revenue	5,067,998	—	5,067,998
Deferred inflows pension (Note 6)	52,828	39,853	92,681
Total Deferred Inflows Of Resources	5,120,826	39,853	5,160,679
Total Liabilities And Deferred Inflows Of Resources	6,525,960	3,961,191	10,487,151

Net Position

Net investment in capital assets (Note 10)	13,800,568	28,953,182	42,753,750
Restricted for:			
Emergency reserve - TABOR (Note 12)	112,000	—	112,000
Unrestricted	8,528,941	8,039,918	16,568,859
Total Net Position	\$ 22,441,509	\$ 36,993,100	\$ 59,434,609

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2016

See the accompanying notes to basic financial statements.

CASTLE PINES METROPOLITAN DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2016

Assets

	<u>General Fund</u>
Current Assets	
Cash and cash equivalents	\$ 4,731,939
Cash with fiscal agent	38,930
Investments	5,045,870
Receivables:	
Accounts	56,679
Property taxes	5,067,998
Inventory	<u>2,510</u>
Total Current Assets	<u><u>\$ 14,943,926</u></u>

Liabilities, Deferred Inflows Of Resources And Fund Balances

Current Liabilities	
Accounts payable	\$ 178,028
Accrued expenditures	1,119
Interfund payable	<u>53,841</u>
Total Current Liabilities	<u>232,988</u>
Deferred Inflows Of Resources	
Unavailable revenue - property taxes	<u>5,067,998</u>
Fund Balances	
Nonspendable:	
Inventory	2,510
Restricted:	
Emergency reserve - TABOR	112,000
Unassigned	<u>9,528,430</u>
Total Fund Balances	<u>9,642,940</u>
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	<u><u>\$ 14,943,926</u></u>

CASTLE PINES METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2016

Total Governmental Fund Balances **\$ 9,642,940**

Amounts reported for governmental activities in the
statement of net position are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, not reported in the funds. However, in
the statement of net position, the cost of these assets is
capitalized and expensed over their estimated lives through
annual depreciation expense.

Cost of capital assets	\$ 3,475,170	
Less: Accumulated depreciation	<u>(1,679,341)</u>	1,795,829

Infrastructure donated by developers is not a financial resource
and, therefore, not reported in the funds. However, in the
statement of net position, the value of this asset is capitalized. 12,004,739

Pension plan accounts, such as deferred inflows/outflows and net
pension liability, are not receivable or payable in the current period
and, therefore, are not reported in the funds.

Net pension liability	(1,195,753)	
Deferred outflows of resources		276,816
Deferred inflow of resources		(52,828)

Liabilities that are not due and payable in the current period,
and, therefore, are not reported at the fund reporting level, are
reported on the government-wide statement of net position.

Compensated absences		<u>(30,234)</u>
----------------------	--	-----------------

Net Position Of Governmental Activities **\$ 22,441,509**

CASTLE PINES METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2016

	<u>General Fund</u>
Revenues	
Property taxes	\$ 5,009,056
Specific ownership tax	460,295
Investment earnings	42,456
Charges for services	97,249
Miscellaneous	<u>3,901</u>
Total Revenues	<u>5,612,957</u>
Expenditures	
Current:	
General government	1,578,896
Public works	2,143,101
Capital outlay	<u>687,049</u>
Total Expenditures	<u>4,409,046</u>
Excess Of Revenues Over Expenditures	<u>1,203,911</u>
Other Financing Sources (Uses)	
Transfers out	(369,859)
Proceeds from sale of assets	<u>45,300</u>
Total Other Financing Uses	<u>(324,559)</u>
Net Change In Fund Balances	879,352
Fund Balances, Beginning Of Year	<u>8,763,588</u>
Fund Balances, End Of Year	<u>\$ 9,642,940</u>

CASTLE PINES METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2016

Net Changes In Fund Balances - Total Governmental Funds **\$ 879,352**

Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense. This is the
amount by which capital outlay exceeded depreciation expense
and disposals in the current period.

Depreciation expense	\$ (254,085)	
Capital outlay	<u>767,315</u>	513,230

Governmental funds do not report capital assets from developer
contributions. However, the statement of activities reports the
current-year amounts from developers as contributions
and capital assets.

93,213

The net effect of various miscellaneous transactions involving capital
assets (i.e., sales, trade-ins, donations) is to decrease net position.

(74,242)

Pension expense does not use current financial resources and,
therefore, is not reported as an expenditure in the governmental funds.

(75,159)

Compensated absences reported in the statement of activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds.

Liability at December 31, 2016	(30,234)	
Liability at December 31, 2015	<u>31,697</u>	1,463

Change In Net Position Of Governmental Activities

\$ 1,337,857

CASTLE PINES METROPOLITAN DISTRICT

**STATEMENT OF NET POSITION -
PROPRIETARY FUND****December 31, 2016****(With Comparative Totals As Of December 31, 2015)****Assets And Deferred Outflows Of Resources**

	2016	2015
Current Assets		
Cash and cash equivalents	\$ 2,639,288	\$ 4,247,827
Investments	6,084,832	2,059,162
Accounts receivable	252,833	253,701
Interfund	53,841	—
Loan receivable	—	1,800,000
Total Current Assets	9,030,794	8,360,690
Noncurrent Assets		
Capital assets:		
Nondepreciable capital assets	1,017,801	916,634
Depreciable capital assets, net	30,696,871	31,155,250
Total Noncurrent Assets	31,714,672	32,071,884
Deferred Outflows Of Resources		
Deferred outflows pension	208,825	113,146
Total Assets And Deferred Outflows Of Resources	40,954,291	40,545,720

Liabilities, Deferred Inflows Of Resources And Net Position

Current Liabilities		
Accounts payable	179,775	293,762
Interfund	—	6,728
Customer deposits	11,095	4,755
Accrued interest payable	19,153	21,642
Unearned revenue	18,258	18,673
Compensated absences payable, current portion	1,500	1,500
Loans payable, current portion	176,788	185,215
Total Current Liabilities	406,569	532,275
Long-Term Liabilities		
Compensated absences payable, net of current portion	28,008	30,364
Loans payable, net of current portion	2,584,702	3,073,436
Net pension liability	902,059	789,375
Total Long-Term Liabilities	3,514,769	3,893,175
Total Liabilities	3,921,338	4,425,450
Deferred Inflows Of Resources		
Deferred inflow pension	39,853	159
Net Position		
Net investment in capital assets	28,953,182	30,613,233
Unrestricted	8,039,918	5,506,878
Total Net Position	\$ 36,993,100	\$ 36,120,111

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

For The Year Ended December 31, 2016

(With Comparative Totals For The Year Ended December 31, 2015)

	2016	2015
Operating Revenues		
Charges for services, pledged to debt	\$ 3,638,621	\$ 3,408,804
Effluent pumping	193,283	176,855
Miscellaneous	97,633	8,213
Total Operating Revenues	3,929,537	3,593,872
Operating Expenses		
Depreciation	994,777	948,333
Personnel services	629,430	676,940
Contract services	692,624	730,666
Utilities	527,293	433,118
Repairs and maintenance	623,555	621,433
General overhead	110,881	88,404
Total Operating Expenses	3,578,560	3,498,894
Operating Income	350,977	94,978
Nonoperating Revenues (Expenses)		
Interest and fiscal charges	(83,153)	(71,679)
Water resources	(104,494)	(105,651)
Investment earnings	22,236	12,669
Bond amortization	—	(13,059)
Revenue rebate	17,358	18,550
Meter sales (net)	1,720	12,040
Total Nonoperating Expenses	(146,333)	(147,130)
Loss Before Contributions And Transfers	204,644	(52,152)
Capital Contributions And Transfers		
Capital contributions (tap and developer)	298,486	—
Transfers in	369,859	344,407
Total Capital Contributions And Transfers	668,345	344,407
Change In Net Position	872,989	292,255
Net Position, Beginning Of Year	36,120,111	36,470,779
Change In Accounting Principal (Note 13)	—	(642,923)
Net Position, Beginning Of Year	36,120,111	35,827,856
Net Position, End Of Year	\$ 36,993,100	\$ 36,120,111

CASTLE PINES METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For The Year Ended December 31, 2016

(With Comparative Totals For The Year Ended December 31, 2015)

	2016	2015
Cash Flows From Operating Activities		
Cash received from customers	\$ 3,894,839	\$ 3,641,349
Cash payments to employees	(575,087)	(651,267)
Cash payments for goods and services	(2,172,834)	(1,830,134)
Net Cash Provided By Operating Activities	1,146,918	1,159,948
Cash Flows Provided By Noncapital Financing Activities		
Transfers in	369,859	344,407
Cash Flows From Capital And Related Financing Activities		
Principal paid on loans	(168,646)	(311,321)
Interest paid on loans	(85,642)	(69,198)
Payments for capital acquisitions	(339,079)	(1,253,968)
Net Cash Used In Capital And Related Financing Activities	(593,367)	(1,634,487)
Cash Flows From Investing Activities		
Net purchases of investments	(2,590,578)	(5,680)
Investment earnings	58,629	12,669
Net Cash Provided By (Used In) Investing Activities	(2,531,949)	6,989
Net Decrease In Cash And Cash Equivalents	(1,608,539)	(123,143)
Cash And Cash Equivalents, Beginning Of Year	4,247,827	4,370,970
Cash And Cash Equivalents, End Of Year	\$ 2,639,288	\$ 4,247,827
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities		
Operating income	\$ 350,977	\$ 94,978
Adjustments		
Depreciation expense	994,777	948,333
Sales of meters and rebates	1,720	12,040
Water resources	(104,494)	(105,651)
Revenue rebate	17,358	18,550
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	868	96
Interfund receivable	(53,841)	4,600
Deferred outflows pension	(95,679)	(113,146)
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	(113,987)	149,138
Interfund payable	(6,728)	6,728
Unearned revenue	(415)	7,048
Compensated absences payable	(2,356)	(7,792)
Customer deposits	6,340	(1,585)
Net pension liability	112,684	146,452
Deferred inflow pension	39,694	159
Net Cash Provided By Operating Activities	\$ 1,146,918	\$ 1,159,948
Schedule Of Noncash Investing, Capital And Financing Activities		
Unrealized loss on investments	\$ (36,393)	\$ —
Developer contributions	298,486	—
Loan reduction	328,515	—
Loan receivable (Notes 5)	—	1,800,000

CASTLE PINES METROPOLITAN DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2016

1. Summary Of Significant Accounting Policies

The Castle Pines Metropolitan District (the District) was organized by a court order on June 14, 1973, following an election by the property owners in the District, and is governed by an elected five-member Board of Directors. As required by accounting principles generally accepted in the United States of America, these financial statements present the activities of the District, which is legally separate from and financially independent of other state and local governments.

The primary functions of the District are to provide street repair and maintenance, snow removal, road right-of-way maintenance, water treatment and distribution, sewer collection and storm drainage management services to the property owners of Castle Pines Village.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Component units also may include organizations that are fiscally dependent on the District in that the District approves the budget, levies their taxes or issues their debt. Based upon the above criteria, the reporting entity includes the District and does not include any component units, nor is the District a component unit of another entity.

Government-Wide Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the District.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and for each identifiable business-type activity of the District. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities, including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for service is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the District.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Fund Financial Statements - The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting - The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District uses two categories of funds: governmental and proprietary.

Governmental Fund - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets, liabilities and deferred outflows and inflows of resources as fund balance. The following describes the District's major governmental fund:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's fund balance is available to the District for any purpose, provided it is expended or transferred according to the general laws of Colorado.

Proprietary Fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund is classified as a major enterprise fund and is described below:

Water and Sewer Fund - This fund is used for the District's water distribution and sewer collection activities.

Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, the phrase "available for exchange transactions" means expected to be received within 60 days of year end.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements *(Continued)*

Revenues - Nonexchange Transactions - Nonexchange transactions, in which the District receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as unearned revenue or as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue or as deferred inflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Cash, Cash Equivalents And Investments

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, amounts deposited in the bank and pooled state regulated investment accounts subject to immediate withdrawal, purchased with an original maturity date of three months or less.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Investments are stated at fair value based on quoted market prices. The District adopted provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, effective for the year ended December 31, 2016.

Receivables

Receivables consist of taxes receivable and accounts receivable (billings for user charges).

Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and, in the case of receivables, collectability.

Tap fees, user fees and similar fees set from time to time by the District's governing board constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the laws of the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Inventory

Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when used (consumption method).

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets used by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, including infrastructure donated by developers, are recorded at acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets used by the enterprise fund is capitalized.

The District's infrastructure consists of roads. The District uses the modified approach for reporting infrastructure for the governmental funds.

All reported capital assets are depreciated except for land, easements, construction in progress and infrastructure. Improvements are depreciated over the remaining useful lives of the related capital assets. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 - 60 years
Improvements other than buildings	20 - 100 years
Machinery and equipment	1 - 20 years

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements and the proprietary fund financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68).

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements and the proprietary fund financial statements in accordance with presentation requirements for GASB 68.

Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable. Upon termination, employees receive pay for earned, unused vacation time and 50% of accrued, unused sick leave at their current hourly rate.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Accrued Liabilities And Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Fund Balance Policies

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints.

Nonspendable - Includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed - Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Directors.

Assigned - Includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the District Manager.

Unassigned - Includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The District considers restricted fund balance to be depleted before using any of the components of unrestricted fund balance (the total of committed, assigned and unassigned fund balance). When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Directors or District Manager provided otherwise in its commitment or assignment actions.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any debt premiums and discounts. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the District or other government, or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Outlays may be incurred for purposes for which both restricted and unrestricted resources are available. In order to calculate the amounts to report in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers restricted net position to be depleted before unrestricted net position.

Operating Revenues And Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for water and sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year, and are payable in two equal installments due February 28 and June 15, if paid in installments, or April 30, if paid in a single payment. Taxes are delinquent as of August 1. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. Douglas County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible. The District levied 33.834 mills for property taxes collected in 2016.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements *(Continued)*

Contributions Of Capital

Contributions of capital in government-wide and proprietary fund financial statements arise from outside contributions of capital assets, tap fees or from other outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Comparative Data

The basic financial statements include certain prior-year partial comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2015, from which the partial information was derived.

Budgetary Information

Formal budgetary integration is employed as a management control device during the year for all the funds. Formal budgetary integration is also employed to comply with the Local Government Budget Law of the State of Colorado. The Board of Directors adopted the District's budget in accordance with the Colorado Revised Statutes (C.R.S.). Appropriation for all funds lapses at year end.

The appropriated budget is prepared by fund, function and department. The District's department head may recommend a transfer of appropriations within a department function. Transfer of appropriations between funds requires the approval of the Board of Directors.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

The budget for the General Fund is adopted on a basis which is consistent with GAAP. The budget for the proprietary fund is adopted on a basis which differs from GAAP in that depreciation on capital assets and pension expenses are not provided, and debt principle payments and capital expenditures are included in the budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Total fund expenditure amounts, including transfers out, determine the level at which expenditures may not legally exceed appropriations. C.R.S. requires the District to adopt a balanced budget. The District's Board of Directors can amend the budget and adopt supplemental budgets in accordance with C.R.S. The District did not amend the 2016 budget.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Colorado Public Employees' Retirement Association of Colorado (PERA) Local Government Division Trust Fund (LGDTF) and additions to/deductions from LGDTF's fiduciary net position have been determined on the same basis as they are reported by LGDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Cash And Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. At December 31, 2016, the District had bank deposits of \$875,825 collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Investments

The District's investment policy limits investment instruments to the following:

- Local government investment pools authorized under C.R.S. 24-75-702
- Money market funds authorized under C.R.S. 24-75-601.1(1)(k)
- Certificates of deposit in state or national banks or in state or federally chartered savings banks as authorized by C.R.S. Section 24-75-603, et seq., and are insured by FDIC. The selected bank(s) shall collateralize certificates of deposit that exceed the FDIC-insured amount in accordance with PDPA, C.R.S. 11-10.5-101, et seq.
- Direct obligations of the United States Treasury that are sold at discount or have semi-annual interest payments, i.e., U.S. Treasury bills, notes and bonds

At December 31, 2016, the District had a certificate of deposit, of which \$785,850 was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

As of December 31, 2016, the District had invested \$6,252,513 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemptions notice periods.

This investment pool was established for local government entities in Colorado to pool surplus funds for investment purposes by state statute. These funds operate similarly to a money market fund, and each share is equal in value to \$1.00. Investments in local government investment pools are not evidenced by securities that exist in physical or book form. Investments consist of U.S. Treasury bills, notes and repurchase agreements collateralized by U.S. Treasury securities. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. Financial statements for COLOTRUST may be obtained at www.colotrust.com. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant unobservable inputs.

The District had two recurring fair value measurements for U.S. Treasury securities and money market mutual funds of \$10,007,710 and \$84,030, respectively, as of December 31, 2016. The money market mutual funds are measured using Level 1 inputs, while the U.S. Treasury securities are measured using Level 2 inputs.

Interest Rate Risk - The District's investment policy states that the District will appropriately diversify the investment portfolio among investment types and maturities as a means of limiting its exposure to fair value losses arising from changes in interest rates.

Credit Risk - The District's investment policy limits investments in higher risk instruments, such as derivatives. The policy does not specifically address nationally recognized credit ratings for investments.

Concentration of Credit Risk - The District's investment policy limits over-concentration in securities from specific issuers; a business sector, excluding U.S. Treasury Securities or a single class of securities.

	Fair Value	Maturity	Rating
COLOTRUST	\$ 6,252,513	N/A	AAAm
Certificates of deposit	1,038,962	8/10/2017	None
U.S. Treasury notes	10,007,710	3/31/17 - 2/28/19	AAA+
Money market mutual funds	84,030	N/A	AAAm
Subtotal	17,383,215		
Cash And Deposits	1,118,714		
Total Cash And Cash Equivalents And Investments	\$ 18,501,929		

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Investments in COLOTRUST are classified as cash and cash equivalents for financial statement presentation due to the liquid nature of the investments. Cash, cash equivalents and investments reported on the statement of net position at December 31, 2016 are as follows:

	Cash And Cash		
	Equivalents	Investments	Total
Fund reporting level:			
Governmental funds - balance sheet	\$ 4,731,939	\$ 5,045,870	\$ 9,777,809
Proprietary fund type statement of net position - unrestricted	2,639,288	6,084,832	8,724,120
Total Cash And Investments	\$ 7,371,227	\$ 11,130,702	\$ 18,501,929

3. Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2016 was as follows:

	Balance			Balance
	December 31,			December 31,
	2015	Additions	Deductions	2016
Governmental Activities				
Capital assets not being depreciated:				
Infrastructure	\$ 11,422,474	\$ 93,213	\$ —	\$ 11,515,687
Construction in progress	—	489,052	—	489,052
Total Capital Assets Not Being Depreciated	11,422,474	582,265	—	12,004,739
 Depreciable capital assets:				
Building and improvements	10,991	—	—	10,991
Machinery and equipment	3,341,262	278,263	(155,346)	3,464,179
Total Depreciable Capital Assets	3,352,253	278,263	(155,346)	3,475,170
 Accumulated depreciation:				
Building and improvements	(8,792)	(1,099)	—	(9,891)
Machinery and equipment	(1,497,568)	(252,986)	81,104	(1,669,450)
Total Accumulated Depreciation	(1,506,360)	(254,085)	81,104	(1,679,341)
 Total Capital Assets Being Depreciated, Net	1,845,893	24,178	(74,242)	1,795,829
 Governmental Activities Capital Assets, Net	\$ 13,268,367	\$ 606,443	\$ (74,242)	\$ 13,800,568

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Business-type activities capital asset activity for the year ended December 31, 2016 was as follows:

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 898,885	\$ —	\$ —	\$ 898,885
Construction in progress	17,749	101,167	—	118,916
Total Capital Assets Not Being Depreciated	916,634	101,167	—	1,017,801
Depreciable capital assets:				
Building	5,761,042	8,054	—	5,769,096
Improvements other than building	31,679,622	482,209	—	32,161,831
Machinery and equipment	7,666,413	46,135	(29,533)	7,683,015
Water rights	2,694,232	—	—	2,694,232
Total Depreciable Capital Assets	47,801,309	536,398	(29,533)	48,308,174
Accumulated depreciation:				
Building	(2,055,871)	(137,058)	—	(2,192,929)
Improvements other than building	(9,469,739)	(766,986)	—	(10,236,725)
Machinery and equipment	(4,418,739)	(62,336)	29,533	(4,451,542)
Water rights	(701,710)	(28,397)	—	(730,107)
Total Accumulated Depreciation	(16,646,059)	(994,777)	29,533	(17,611,303)
Total Capital Assets Being Depreciated, Net	31,155,250	(458,379)	—	30,696,871
Business-Type Activities Capital Assets, Net	\$ 32,071,884	\$ (357,212)	\$ —	\$ 31,714,672

Depreciation expense by function

Governmental activities:

General government	\$ 28,166
Public works	225,919

Total Governmental Activities Depreciation Expense \$ 254,085

Business-type activities:

Water and sewer	\$ 994,777
-----------------	------------

Total Business-Type Activities Depreciation Expense \$ 994,777

Infrastructure

Historically, infrastructure assets were not reflected within the accounting records, nor was consumption of these assets measured. This category of assets typically includes roads, curbs and gutters, drainage systems, etc.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements *(Continued)*

GASB 34 provides an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service lives at a locally established minimum standard. In order to adopt this alternative method, the District has elected to use the modified approach. Total infrastructure recorded in the government-wide governmental activities capital assets is \$11,515,687 at December 31, 2016.

4. Interfund Balances

Interfund balances reported on the statement of net position at December 31, 2016 consisted of the following amounts and represented charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period and (3) payments between funds are made.

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ —	\$ 53,841
Water and Sewer Fund	53,841	—
Total	\$ 53,841	\$ 53,841

Interfund transfers represent annual funds transferred from the General Fund to the Water and Sewer Fund, up to a maximum of 10% of total enterprise service revenue.

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ —	\$ 369,859
Water and Sewer Fund	369,859	—
Total	\$ 369,859	\$ 369,859

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

5. Long-Term Liabilities

Changes in the District's long-term liabilities consisted of the following for the year ended December 31, 2016:

	Balance December 31, 2015	Additions	Payments	Reductions	Balance December 31, 2016	Due Within One Year
Governmental Activities						
Compensated absences	\$ 31,697	\$ 54,138	\$ 55,601	\$ —	\$ 30,234	\$ 1,500
Net pension liability	1,046,381	149,372	—	—	1,195,753	—
Total Governmental Activities	\$ 1,078,078	\$ 203,510	\$ 55,601	\$ —	\$ 1,225,987	\$ 1,500
Business-Type Activities						
(a) DWRF Loan - May 2006	\$ 1,298,049	\$ —	\$ 97,326	\$ —	\$ 1,200,723	\$ 101,010
(b) DWRF Loan - November 2006	166,738	—	11,840	—	154,898	12,288
(c) DWRF Loan - October 2014	1,793,864	—	59,480	328,515	1,405,869	63,490
Compensated absences	31,864	40,620	42,976	—	29,508	1,500
Net pension liability	789,375	112,684	—	—	902,059	—
Total Business-Type Activities	\$ 4,079,890	\$ 153,304	\$ 211,622	\$ 328,515	\$ 3,693,057	\$ 178,288

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, typically by allocation of the job description between the General Fund and Enterprise Fund.

As of December 31, 2016, the District had authorized but unissued general obligation bonded debt in the amount of \$55,000,000. Any new general obligation bonded debt issued is subject to voter approval. No interest was capitalized during 2016.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Business-Type Activities

- (a) On May 25, 2006, the District entered into a Drinking Water Revolving Fund (DWRF) Loan with the Colorado Water Resources and Power Development Authority (CWRPDA) in the principal amount of \$2,000,000 for 20 years at an annual interest rate of 3.75% for construction of a transfer station and associated piping to enable the transfer of raw water between the District's water treatment plants. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately \$1,450,990 through 2026. Principal and interest paid for the current year and pledged revenues received were each \$145,099. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2016, including interest, is as follows:

Year	Principal	Interest	Total
2017	\$ 101,010	\$ 44,089	\$ 145,099
2018	104,833	40,266	145,099
2019	108,802	36,297	145,099
2020	112,920	32,179	145,099
2021	117,194	27,905	145,099
2022 - 2026	655,964	69,530	725,494
Total	\$ 1,200,723	\$ 250,266	\$ 1,450,989

- (b) On November 6, 2006, the District obtained an additional DWRF loan with CWRPDA in the principal amount of \$250,000 for 20 years at an annual interest rate of 3.75% for additional costs associated with the project. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately \$188,819 through 2027. Principal and interest paid for the current year and pledged revenues received were each \$17,983. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2016, including interest, is as follows:

Year	Principal	Interest	Total
2017	\$ 12,288	\$ 5,695	\$ 17,983
2018	12,753	5,229	17,982
2019	13,236	4,747	17,983
2020	13,737	4,246	17,983
2021	14,257	3,726	17,983
2022 - 2026	79,800	10,113	89,913
2027	8,827	165	8,992
Total	\$ 154,898	\$ 33,921	\$ 188,819

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

- (c) October 30, 2014, the District obtained an additional DWRF loan with CWRPDA for principal authorized up to \$1,800,000 for 20 years at an annual interest rate of 2.00% for construction of a water transfer line. Repayment of the loan began November 1, 2015. On April 4, 2016, the District obtained a revised loan repayment schedule for the original DWRF loan of \$1,800,000 with a loan reduction amount of \$328,515. The District completed construction on the water transfer line in December 2015; however, the loan funds were not drawn from CWRPDA until 2016. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately \$1,688,896 through 2035. Principal and interest paid for the current year and pledged revenues received were each \$91,292. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2016, including interest, is as follows:

Year	Principal	Interest	Total
2017	\$ 63,490	\$ 27,802	\$ 91,292
2018	64,766	26,526	91,292
2019	66,068	25,224	91,292
2020	67,396	23,896	91,292
2021	68,751	22,541	91,292
2022 - 2026	365,046	91,412	456,458
2027 - 2031	403,238	53,220	456,458
2032 - 2035	307,114	12,407	319,521
Total	\$ 1,405,869	\$ 283,027	\$ 1,688,896

Covenants

The DWRF loans have rate covenants requiring sufficient rates and service charges for use of the water system to produce gross revenue, defined by the loan document, for each calendar year, sufficient to pay the sum of operations and maintenance costs, defined by the loan document, plus 110% of the debt service due on the outstanding bond and debt service coming due during the calendar year on any obligations secured by a lien on the pledged property, plus an amount to be paid each year into any debt service reserve account, and a sum equal to the debt service on any obligations secured by pledged property, and amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of revenues during the year. The District believes it is in compliance with the covenants.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

6. Defined Benefit Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through LGDTF, a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51, of C.R.S., administrative rules set forth at 8 C.C.R. 1502-1 and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of the highest average salary and also cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts, depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for LGDTF.

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and when it is determined that they meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above, considering a minimum of 20 years of service credit, if they are deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the District are required to contribute to LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For The Years Ended December 31,	
	2015	2016
Employer contribution rate ¹	10.00%	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund (HCTF) as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02%)	(1.02%)
Amount apportioned to LGDTF ¹	8.98%	8.98%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total employer contribution rate to LGDTF ¹	12.68%	12.68%

1. Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements *(Continued)*

Employer contributions are recognized by LGDTF in the period in which the compensation becomes payable to the member, and the District is statutorily committed to pay the contributions to LGDTF. Employer contributions recognized by LGDTF from the District were \$129,022 for the year ended December 31, 2016.

Pension Liabilities, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At December 31, 2016, the District reported a liability of \$2,097,812 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District contributions to LGDTF for the calendar year 2015 relative to the total contributions of participating employers to LGDTF.

At December 31, 2015, LGDTF's net pension liability was approximately \$1,101,581,000. At December 31, 2015, the District's portion was 0.1904365%, which was a decrease of 0.0143763% from its proportion measured as of December 31, 2014.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

For the year ended December 31, 2016, the District recognized pension expense and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-Type Activities
Pension Expense	\$ 75,159	\$ 56,699
Deferred Outflows Of Resources		
Net difference between projected and actual earnings on pension plan investments	\$ 195,055	\$ 147,147
Difference between expected and experience	4,966	3,746
Changes in proportion and differences between contributions and proportionate share of contributions	3,252	2,453
Contributions subsequent to measurement date	73,543	55,479
Total Deferred Outflows Of Resources	\$ 276,816	\$ 208,825
Deferred Inflows Of Resources		
Changes of assumptions and other inputs	\$ 12,124	\$ 9,146
Changes in proportion and differences between contributions and proportionate share of contributions	40,659	30,673
Difference between expected and actual experience	45	34
Total Deferred Inflows Of Resources	\$ 52,828	\$ 39,853

The deferred outflow of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For The Year Ended December 31,	
2017	\$ 29,747
2018	75,535
2019	91,772
2020	66,884
2021	—
Total	\$ 263,938

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	3.90% - 10.85%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007	2.00%
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back one year, and Females set back two years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

As of the November 15, 2013 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate Of Return</u>
U.S. equity - large cap	26.76%	5.00%
U.S. equity - small cap	4.40%	5.19%
Non-U.S. equity - developed	22.06%	5.29%
Non-U.S. equity - emerging	6.24%	6.76%
Core fixed income	24.05%	0.98%
High yield	1.53%	2.64%
Long duration gov't/credit	0.53%	1.57%
Emerging market bonds	0.43%	3.04%
Real estate	7.00%	5.09%
Private equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, AED and SAED will each drop 0.50% every year until they are zero. Based on those assumptions, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Sensitivity Of The District's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 3,216,160	\$ 2,097,812	\$ 1,170,253

Pension Plan Fiduciary Net Position

Detailed information about LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

7. Post-Employment Health Care Benefits

Plan Description

The District contributes to HCTF, a cost-sharing multiple-employer postemployment healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12, of C.R.S., as amended, establishes HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for HCTF. That report may be obtained online at www.copera.org/investments/pera-financial-reports.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

Funding Policy

The District is required to contribute at a rate of 1.02% of PERA-included salary for all PERA members, as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4, of C.R.S., as amended. The apportionment of the contribution to HCTF is established under Title 24, Article 51, Section 208(1)(f) of C.R.S., as amended. For the years ended December 31, 2016, 2015 and 2014, the District's employer contributions to HCTF were \$10,375, \$11,013 and \$11,049, respectively, equal to the District's required contributions for each year.

8. Defined Contribution Pension Plan

Plan Description

Employees of the District that are also members of LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 52, Part 14, of C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publically available comprehensive annual financial report for the Program. The report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402, of C.R.S., as amended. The District does not contribute to the Voluntary Investment Program. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2016 and 2015, program members contributed \$8,363 and \$5,379, respectively, to the Voluntary Investment Program.

9. Inter-Governmental Agreement

In 1989, the District, the Town of Castle Rock and Castle Pines North Metropolitan District agreed to establish the Plum Creek Water Reclamation Authority (PCWRA). The purpose of PCWRA is to provide wastewater treatment within the region to the members and other local governments. The District transferred title of the Castle Pines Wastewater plant to PCWRA in June 1990. During 2016, PCWRA charged the District \$378,105 for the treatment of the District's wastewater, with \$31,509 payable to PCWRA as of December 31, 2016.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

On December 14, 1989, the District entered into an agreement with PCWRA to provide administrative, managerial and operational services. The agreement was renewed every two years. Effective January 1, 2016, management and employees of PCWRA were terminated from employment with the District and hired as employees of PCWRA.

10. Net Investment In Capital Assets

The “net investment in capital assets” amounts reported on the government-wide statement of net position as of December 31, 2016 are determined as follows:

	Governmental Activities	Business-Type Activities
Net Investment In Capital Assets		
Cost of capital assets	\$ 15,479,909	\$ 49,325,975
Less: Accumulated depreciation	(1,679,341)	(17,611,303)
Net Capital Assets	13,800,568	31,714,672
Less: Capital-related debt	—	(2,761,490)
Net Investment In Capital Assets	\$ 13,800,568	\$ 28,953,182

11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, for which the District carries commercial insurance. Claims have not exceeded coverage in any of the three preceding years.

In October 2002, the District joined the Colorado Special Districts Property and Liability Pool (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for member special districts in Colorado. The District pays annual premiums to the Pool for defined property and liability coverage.

The Pool agreement also gives the Board of Directors of the Pool the power to establish additional contributions, at such times and in such amounts as the Board determines are needed for the purposes of the Pool. The Board may decide to distribute surplus funds among members; however, the District did not receive any such distribution for the year ended December 31, 2016.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

12. TABOR Amendment

Colorado voters passed an amendment to the State Constitution in 1992. Article X, Section 20, (the Taxpayer Bill of Rights, otherwise known as TABOR) has several limitations, including revenue raising, spending abilities and other specific requirements for state and local governments. The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District is of the opinion that water and sewer operations of the District qualify for this exclusion.

Fiscal year spending and revenue limits are determined based on the prior-year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates nonexempt revenue or receipts. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal-year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

TABOR requires that emergency reserves be established. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service) in 1995 and thereafter. Emergency reserves as of December 31, 2016, totaling \$112,000, have been presented as a restriction of fund balance in the General Fund.

The District is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls or salary benefit increases.

CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (*Continued*)

TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue. On May 2, 2000, citizens voted to allow the District to collect, spend and retain all revenues and proceeds generated from any source since December 31, 1998 without regard to any limitation under TABOR. The citizens also authorized the permanent waiver of the 5.5% statutory limit.

13. Restatement

During 2015, the District adopted GASB 68 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The primary objective of these statements is to improve the accounting and financial reporting by state and local governments for pensions. As a result of implementing these statements, the District recognized its proportionate share of a net pension liability and the related deferred inflows and outflows (refer to Note 6). The effects of the restatement to the Proprietary Fund are as follows:

	<u>Proprietary Fund</u>
Net Position - December 31, 2014, As Previously Reported	\$ 36,470,779
Prior-period adjustment - implementation of GASB 68 and 71 net pension liability (measurement date)	(642,923)
<u>Net Position - December 31, 2014, As Restated</u>	<u>\$ 35,827,856</u>

Required Supplementary Information

CASTLE PINES METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2016

	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 4,915,396	\$ 5,009,056	\$ 93,660
Specific ownership tax	380,944	460,295	79,351
Investment earnings	18,000	42,456	24,456
Charges for services	99,949	97,249	(2,700)
Miscellaneous	7,500	3,901	(3,599)
Total Revenues	5,421,789	5,612,957	191,168
Expenditures			
Current:			
General government	1,643,564	1,578,896	64,668
Public works	2,222,592	2,143,101	79,491
Capital outlay	958,116	687,049	271,067
Total Expenditures	4,824,272	4,409,046	415,226
Excess Of Revenues Over Expenditures	597,517	1,203,911	606,394
Other Financing Sources (Uses)			
Transfer out	(369,859)	(369,859)	—
Proceeds from sale of assets	—	45,300	45,300
Total Other Financing Sources (Uses)	(369,859)	(324,559)	45,300
Net Changes In Fund Balance	227,658	879,352	651,694
Fund Balance, Beginning Of Year	8,752,198	8,763,588	11,390
Fund Balance, End Of Year	\$ 8,979,856	\$ 9,642,940	\$ 663,084

Notes:

The basis of budgeting is the same as GAAP.
This schedule is presented on a GAAP basis.

CASTLE PINES METROPOLITAN DISTRICT
INFRASTRUCTURE CONDITION AND MAINTENANCE DATA
December 31, 2016

**Modified Approach For Castle Pines Metropolitan Streets -
Infrastructure Capital Assets**

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), Castle Pines Metropolitan District (the District) is required to account for and report infrastructure capital assets. The District has several major infrastructure systems, including the street system. Each major infrastructure system can be divided into subsystems. For example, the streets can be divided into concrete and asphalt pavements, concrete curb and gutters, streetlights, traffic control devices (signs, signals and pavement markings) and land. Subsystem detail is not presented in these basic financial statements; however, the District maintains detailed information on these subsystems.

The District has elected to use the modified approach as defined by GASB 34 for infrastructure reporting for its street pavement system. Under GASB 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The District manages the eligible infrastructure capital assets using The Paver 5.1 Pavement Management System with characteristics of (1) maintaining an up-to-date inventory, (2) performing condition assessments and summarizing the results using a measurement scale and (3) estimating the annual amount to maintain and preserve at the established condition assessment level.
- The District documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. The District's Pavement Management System conducts condition assessment surveys annually based on priority of the District's road classification and input from the District's Board and residents. The District's streets are classified based on traffic utilization into the following classifications: Primary, Secondary and Tertiary. Each street was assigned a physical condition based on potential defects.

Condition	Rating
Good	86 - 100 PCI
Satisfactory	71 - 85 PCI
Fair	56 - 70 PCI

CASTLE PINES METROPOLITAN DISTRICT
INFRASTRUCTURE CONDITION AND MAINTENANCE DATA (CONTINUED)
December 31, 2016

The District's goal is to maintain an average rating of 85 PCI or higher on all streets. This rating allows appropriate roadway budgets to be determined each year. Assessments of the road are normally conducted annually or biannually. The District's three most recent average pavement condition indexes are as follows:

	2016	2015	2014
Average PCI for District roadways	91.16	90.50	88.45

The District completed an assessment in the summer of 2016 that consisted of capital improvement projects.

Condition Distribution	2016	2015	2014
Good	74.00%	75.00%	89.00%
Satisfactory	24.00%	24.00%	11.00%
Fair	2.00%	1.00%	0.00%

The District's streets are constantly deteriorating, resulting from the following four factors: (1) traffic using the streets, (2) the sun's ultraviolet rays drying out and breaking down the top layer of pavement, (3) utility company/private development interests trenching operations and (4) winter freeze/thaw conditions and water damage from both natural and other urban run-off.

The District expended \$897,695 and \$353,161 in 2016 and 2015, respectively, on street maintenance and street rehabilitation. These expenditures improve the overall street system. A schedule of estimated and actual annual expenditures for street maintenance for the last five years is presented below:

Year	Maintenance Estimate	Actual
2012	\$ 350,000	349,511
2013	350,000	377,001
2014	350,000	349,294
2015	450,000	353,161
2016	950,693	897,695

CASTLE PINES METROPOLITAN DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

For The Year Ended December 31, 2015 (Measurement Date)

Employee Pension Plan

Year Two¹

	<u>2016</u>	<u>2015</u>
District's portion of the net pension liability (asset)	0.190436468%	0.204812805%
District's proportionate share of the net pension liability (asset)	\$ 2,097,812	\$ 1,835,756
District's covered-employee payroll	\$ 1,079,681	\$ 1,122,283
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	194%	164%
Plan fiduciary net position as a percentage of the total pension liability	76.90%	80.70%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

CASTLE PINES METROPOLITAN DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TO THE PENSION PLAN
For The Year Ended December 31, 2016
Employee Pension Plan
Year Two¹

	2016	2015
Contractually required contribution	\$ 129,022	\$ 136,738
Contributions in relation to the contractually required contribution	129,022	136,738
Contribution Deficiency (Excess)	\$ —	\$ —
District's covered-employee payroll	\$ 1,017,197	\$ 1,079,681
Contributions as a percentage of covered-employee payroll	12.68%	12.66%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

Supplementary Information

CASTLE PINES METROPOLITAN DISTRICT

**COMPARATIVE BALANCE SHEET -
GENERAL FUND****December 31, 2016 And 2015**

Assets		
	2016	2015
Current Assets		
Cash and cash equivalents	\$ 4,731,939	\$ 7,695,620
Cash with fiscal agent	38,930	38,600
Investments	5,045,870	1,026,286
Receivables:		
Accounts	56,679	90,730
Property taxes	5,067,998	5,003,030
Interfund	—	6,728
Inventory	2,510	3,077
Total Current Assets	\$ 14,943,926	\$ 13,864,071
Liabilities, Deferred Inflows Of Resources And Fund Balance		
Current Liabilities		
Accounts payable	\$ 178,028	\$ 95,969
Accrued expenditures	1,119	1,484
Interfund	53,841	—
Total Current Liabilities	232,988	97,453
Deferred Inflows Of Resources		
Unavailable revenue - property taxes	5,067,998	5,003,030
Fund Balance		
Nonspendable:		
Inventory	2,510	3,077
Restricted:		
Emergency reserve - TABOR	112,000	93,000
Unassigned	9,528,430	8,667,511
Total Fund Balance	9,642,940	8,763,588
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	\$ 14,943,926	\$ 13,864,071

CASTLE PINES METROPOLITAN DISTRICT
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
GENERAL FUND
For The Years Ended December 31, 2016 And 2015

	2016	2015
Revenues		
Property taxes	\$ 5,009,056	\$ 3,097,582
Specific ownership tax	460,295	407,883
Investment earnings	42,456	18,330
Charges for services	97,249	98,800
Miscellaneous	3,901	15,646
Total Revenues	5,612,957	3,638,241
Expenditures		
Current:		
General government	1,578,896	1,573,116
Public works	2,143,101	1,494,045
Capital outlay	687,049	117,901
Total Expenditures	4,409,046	3,185,062
Excess Of Revenues Over Expenditures	1,203,911	453,179
Other Financing Sources (Uses)		
Transfer in	—	32,914
Transfer out	(369,859)	(344,407)
Proceeds from sale of assets	45,300	4,500
Total Other Financing Uses	(324,559)	(306,993)
Net Changes In Fund Balance	879,352	146,186
Fund Balance, Beginning Of Year	8,763,588	8,617,402
Fund Balance, End Of Year	\$ 9,642,940	\$ 8,763,588

CASTLE PINES METROPOLITAN DISTRICT

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) -
WATER AND SEWER FUND
For The Year Ended December 31, 2016**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 3,474,758	\$ 3,638,621	\$ 163,863
Effluent pumping	178,434	193,283	14,849
Investment earnings	12,000	22,236	10,236
Revenue rebate	12,000	17,358	5,358
Meter sales, net	12,900	1,720	(11,180)
Miscellaneous	8,503	97,633	89,130
Loan proceeds	144,777	—	(144,777)
Transfers in	369,859	369,859	—
Total Revenues	4,213,231	4,340,710	127,479
Expenses			
Personnel services	619,347	572,731	46,616
Contract services	758,047	692,624	65,423
Utilities	459,508	527,293	(67,785)
Repairs and maintenance	693,709	623,555	70,154
General overhead	113,243	110,881	2,362
Water resources	122,130	104,494	17,636
Capital outlay	780,822	339,079	441,743
Debt principal	185,215	168,646	16,569
Debt interest/amortization	90,415	83,153	7,262
Total Expenses	3,822,436	3,222,456	599,980
Net Changes In Net Position (Non-GAAP)	390,795	1,118,254	\$ 727,459
Fund Balance, Beginning Of Year	7,477,864		
Fund Balance, End Of Year	\$ 7,868,659		
Reconciliation Of Revenue And Expenses - GAAP Basis To Budgetary Basis			
Adjustments:			
Revenues which are not revenues for budgetary purposes:			
Developer contributions		298,486	
Expenses which are not expenditures for budgetary purposes:			
Depreciation		(994,777)	
Pension expense		(56,699)	
Expenditures for budgetary purposes:			
Capital outlay		339,079	
Principal payments on revenue bonds and loans		168,646	
Net Change In Net Position - GAAP Basis		\$ 872,989	

Statistical Section

CASTLE PINES METROPOLITAN DISTRICT

Statistical Section TABLE OF CONTENTS

This part of the Castle Pines Metropolitan District's (District's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and fiscal health have changed over time.

	<u>PAGE(S)</u>
Net Position by Component	68
Changes in Net Position	69-70
Governmental Funds Fund Balances	71
Governmental Funds Changes in Fund Balances	72

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant sources of revenue.

Assessed Value and Actual Value of Taxable Property	73
Direct and Overlapping Property Tax Rates	74
Principal Property Tax Payers	75
Governmental Funds Property Tax Levies and Collections	76

DEBT CAPACITY

These schedules contain information to help the reader assess the affordability of the District's current level of debt and the District's ability to issue debt in the future.

Ratios of Outstanding Debt by Type	77
Ratios of General Bonded Debt Outstanding and Legal Debt Margin	78
Direct and Overlapping Governmental Activities Debt	79
Pledged Revenue Coverage, Water & Sewer Bonds	80

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Demographic and Economic Statistics, Castle Pines Metro District	81
Demographic and Economic Statistics, Douglas County	82
Principal Employers in Douglas County	83

OPERATING INFORMATION

This schedule contains information regarding the number of employees in various job categories and types of assets by function/department.

Full-Time Equivalent District Government Employees by Function	84
Operating Indicators by Function	85
Capital Asset Statistics by Function/Program	86

CASTLE PINES METROPOLITAN DISTRICT

Primary Government
Net Position by Component
(Unaudited)

Last Ten Years

Description	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,800,568	\$ 13,268,367	\$ 11,774,460	\$ 10,299,984	\$ 8,756,943	\$ 7,369,920	\$ 6,030,999	\$ 4,769,311	\$ 3,366,752	\$ 1,077,428
Restricted for:										
Debt Service	-	-	492,999	1,052,645	1,529,866	1,992,464	1,890,014	1,779,990	1,740,866	1,786,116
Emergency Reserve - Tabor	112,000	93,000	85,000	77,000	69,000	103,000	62,000	67,000	57,000	61,500
Unrestricted	8,528,941	7,742,285	8,491,751	8,105,675	7,344,905	6,137,184	5,911,462	4,404,544	3,114,709	2,788,772
Subtotal Governmental Activities Net Position	22,441,509	21,103,652	20,844,210	19,535,304	17,700,714	15,602,568	13,894,475	11,020,845	8,269,327	5,713,816
% change from prior year	6.34%	1.24%	6.70%	10.36%	13.45%	12.29%	26.07%	33.27%	44.73%	51.98%
Business-type Activities:										
Net Investment in Capital Assets	28,953,182	28,813,233	30,009,336	30,179,642	30,669,797	30,659,559	30,455,548	30,804,746	28,908,152	28,647,722
Restricted for:										
Customer Deposits	-	-	-	-	-	-	-	-	-	8,225
Unrestricted (1)	8,039,918	7,306,878	6,461,443	6,194,989	5,562,144	5,026,459	4,327,127	3,432,540	3,744,479	3,517,040
Subtotal Business-type Activities Net Position	36,993,100	36,120,111	36,470,779	36,374,631	36,231,941	35,686,018	34,782,675	34,237,286	32,652,631	32,172,987
% change from prior year	2.42%	-0.96%	0.26%	0.39%	1.53%	2.60%	1.59%	4.85%	1.49%	-7.80%
Primary Government:										
Net Investment in Capital Assets	42,753,750	42,081,600	41,783,796	40,479,626	39,426,740	38,029,479	36,486,547	35,574,057	32,264,904	29,725,150
Restricted for:										
Debt Service	-	-	492,999	1,052,645	1,529,866	1,992,464	-	-	1,740,866	1,786,116
Tabor	112,000	93,000	85,000	77,000	69,000	103,000	62,000	67,000	57,000	61,500
Customer Deposits	-	-	-	-	-	-	-	-	-	8,225
Unrestricted (1) (2)	16,568,859	15,049,163	14,953,194	14,300,664	12,907,049	11,163,643	12,128,603	9,617,074	6,859,188	6,305,812
Total Primary Government Net Position	\$ 59,434,609	\$ 57,223,763	\$ 57,314,989	\$ 55,909,935	\$ 53,932,655	\$ 51,288,586	\$ 48,677,150	\$ 45,258,131	\$ 40,921,958	\$ 37,886,803
% change from prior year	3.86%	-0.16%	2.51%	3.67%	5.16%	5.36%	7.55%	10.60%	8.01%	-1.99%

(1) Balances for 2012 differs from balance reported in prior periods due to the restatement of 2012 balances, driven by the implementation of GASB 65.

(2) Balances for 2014 differs from balance reported in prior periods due to the restatement of 2014 balances, driven by the implementation of GASB 68.

CASTLE PINES METROPOLITAN DISTRICT

Primary Government Changes in Net Position (Unaudited)

Last Ten Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
<i>Governmental Activities:</i>										
General Government	\$ 1,680,758	\$ 1,630,631	\$ 1,409,307	\$ 1,357,469	\$ 1,305,771	\$ 1,274,299	\$ 1,385,138	\$ 1,299,503	\$ 1,175,988	\$ 1,188,737
Public Works	2,369,020	1,689,741	1,600,986	1,371,232	1,182,845	2,377,485	1,004,878	1,069,781	889,590	990,962
Interest	-	52,937	109,125	166,501	220,300	274,066	322,550	361,254	527,297	600,428
Total Government Activities Expenses	4,049,778	3,373,309	3,119,418	2,895,202	2,708,916	3,925,850	2,712,566	2,730,538	2,592,875	2,780,127
<i>Business-type Activities:</i>										
Water and Sewer (1)	3,766,207	3,689,283	3,711,709	3,812,521	4,000,395	3,589,421	3,580,030	3,183,426	3,425,650	3,437,764
Total Business-type Activities Expenses	3,766,207	3,689,283	3,711,709	3,812,521	4,000,395	3,589,421	3,580,030	3,183,426	3,425,650	3,437,764
Total Primary Government Expenses	7,815,985	7,062,592	6,831,127	6,707,723	6,709,311	7,515,271	6,292,596	5,913,964	6,018,525	6,217,891
Program Revenues										
<i>Governmental Activities:</i>										
Charges for Services										
Public Works	97,249	98,800	126,700	100,980	98,180	97,380	91,911	94,725	81,952	91,410
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	11,631
Capital Grants and Contributions	93,213	-	-	-	85,287	40,146	-	387,492	170,420	69,450
Total Governmental Activities Program Revenues	190,462	98,800	126,700	100,980	183,467	137,526	91,911	482,217	252,372	172,491
<i>Business-type Activities:</i>										
Charges for Services										
Water and Sewer	3,929,537	3,593,872	3,391,209	3,564,034	3,836,528	3,666,907	3,739,276	3,325,070	3,227,833	2,821,576
Capital Grants and Contributions	298,486	-	-	-	293,819	435,980	-	1,259,606	266,551	281,500
Total Business-type Activities Program Revenues	4,228,023	3,593,872	3,391,209	3,564,034	4,130,347	4,102,887	3,739,276	4,584,676	3,494,384	3,103,076
Total Primary Government Program Revenues	4,418,485	3,692,672	3,517,909	3,665,014	4,313,814	4,240,413	3,831,187	5,066,893	3,746,756	3,275,567
Net (Expenses) Revenues										
<i>Governmental Activities</i>	(3,859,316)	(3,274,509)	(2,992,718)	(2,794,222)	(2,525,449)	(3,788,324)	(2,620,655)	(2,248,321)	(2,340,503)	(2,607,636)
<i>Business-type Activities (1)</i>	461,816	(95,411)	(320,500)	(248,487)	129,952	513,466	159,246	1,401,250	68,734	(334,688)
Total Primary Government Net (Expenses)	(3,397,500)	(3,369,920)	(3,313,218)	(3,042,709)	(2,395,497)	(3,274,858)	(2,461,409)	(847,071)	(2,271,769)	(2,942,324)

CASTLE PINES METROPOLITAN DISTRICT
Primary Government
Changes in Net Position (continued)
(Unaudited)

Last Ten Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenue & Other Changes in Net Position										
Property Taxes	5,009,056	4,250,767	4,235,724	4,581,413	4,604,324	5,450,758	5,415,570	4,757,702	4,597,156	4,108,022
Specific Ownership Taxes	460,295	407,883	378,553	384,281	352,396	359,792	366,381	355,933	392,036	415,719
Other Taxes	-	-	-	-	-	-	-	-	67,989	66,197
Investment Earnings	42,456	20,159	14,887	15,804	27,884	29,274	62,327	36,767	146,997	284,244
Miscellaneous	55,225	51,795	15,460	4,010	991	10,225	6,437	5,237	16,213	1,010
Transfers	(369,859)	(344,407)	(343,000)	(312,685)	(362,000)	(353,632)	(356,430)	(155,800)	(324,377)	(313,227)
Total Governmental Activities	5,197,173	4,386,197	4,301,624	4,672,823	4,623,595	5,496,417	5,494,285	4,999,839	4,896,014	4,561,965
Business-type Activities										
Unrestricted Investment Income	22,236	12,669	10,408	12,304	16,750	16,921	28,873	17,987	81,114	174,698
Miscellaneous	19,078	30,590	63,240	66,188	65,017	19,324	840	9,618	5,419	19,135
Transfers	369,859	344,407	343,000	312,685	362,000	353,632	356,430	155,800	324,377	313,227
Transfer of Assets	-	-	-	-	-	-	-	-	-	(2,894,021)
Total Business-type Activities	411,173	387,666	416,648	391,177	443,767	389,877	386,143	183,405	410,910	(2,386,961)
Total Primary Government	5,608,346	4,773,863	4,718,272	5,064,000	5,067,362	5,886,294	5,880,428	5,183,244	5,306,924	2,175,004
Change in Net Position										
Governmental Activities	1,337,857	1,111,688	1,308,906	1,878,601	2,098,146	1,708,093	2,873,630	2,751,518	2,555,511	1,954,329
Business-type Activities (1)	872,989	292,255	96,148	142,690	573,719	903,343	545,389	1,584,655	479,644	(2,721,649)
Total Primary Government	\$ 2,210,846	\$ 1,403,943	\$ 1,405,054	\$ 2,021,291	\$ 2,671,865	\$ 2,611,436	\$ 3,419,019	\$ 4,336,173	\$ 3,035,155	\$ (767,320)

(1) Balance for 2012 differs from balance reported in prior periods due to the restatement of 2012 balances, driven by the implementation of GASB 65.

CASTLE PINES METROPOLITAN DISTRICT

Governmental Funds Fund Balances (1) (Unaudited)

Last Ten Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Nonspendable										
Inventory	\$ 2,510	\$ 3,077	\$ 4,894	\$ 3,546	\$ 4,926	\$ 3,584	\$ 3,426	\$ 4,592	\$ -	\$ -
Pre-paid Items	-	-	-	-	-	-	21,626	-	-	-
Restricted										
Emergency Reserve - Tabor	112,000	93,000	85,000	77,000	69,000	103,000	62,000	67,000	57,000	61,500
Unassigned	9,528,430	8,667,511	8,527,508	8,145,149	7,334,443	6,117,104	5,855,571	4,358,506	3,281,557	2,849,135
Total General Fund	9,642,940	8,763,588	8,617,402	8,225,695	7,408,369	6,223,688	5,942,623	4,430,098	3,338,557	2,910,635
% change from prior year	10.03%	1.70%	4.76%	11.03%	19.04%	4.73%	34.14%	32.69%	14.70%	18.08%
Other Governmental Funds:										
Restricted										
Debt Service Fund	-	-	492,999	1,052,645	1,529,866	1,992,464	1,890,014	1,779,990	1,739,517	1,785,407
Total Other Governmental Funds	-	-	492,999	1,052,645	1,529,866	1,992,464	1,890,014	1,779,990	1,739,517	1,785,407
Total Governmental Funds	\$ 9,642,940	\$ 8,763,588	\$ 9,110,401	\$ 9,278,340	\$ 8,938,235	\$ 8,216,152	\$ 7,832,637	\$ 6,210,088	\$ 5,078,074	\$ 4,696,042
% change from prior year	10.03%	-3.81%	-1.81%	3.81%	8.79%	4.90%	26.13%	22.29%	8.14%	10.92%

(1) This schedule reports using the modified accrual basis of accounting.

CASTLE PINES METROPOLITAN DISTRICT

Governmental Funds

Changes in Fund Balances (1)

(Unaudited)

Last Ten Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUE										
Property Taxes (2)	\$ 5,009,056	\$ 4,250,767	\$ 4,235,724	\$ 4,581,413	\$ 4,604,324	\$ 5,450,758	\$ 5,415,570	\$ 4,757,702	\$ 4,597,156	\$ 4,108,022
Specific Ownership Tax	460,295	407,883	378,553	384,281	352,396	359,792	366,381	355,933	392,036	415,719
Other Taxes	-	-	-	-	-	-	-	-	67,989	66,197
Charges for Services	97,249	98,800	126,700	100,980	98,180	97,380	91,911	94,725	81,952	91,410
Investment Earnings	42,456	20,159	14,887	15,804	27,884	29,274	62,327	36,767	146,997	284,244
Miscellaneous	3,901	15,646	10,222	4,010	991	10,225	6,437	5,237	16,213	12,641
Total Revenues	5,612,957	4,793,255	4,766,086	5,086,488	5,083,775	5,947,429	5,942,626	5,250,364	5,302,343	4,978,233
% change from prior year	17.10%	0.57%	-6.30%	0.05%	-14.52%	0.08%	13.19%	-0.96%	6.51%	4.37%
EXPENDITURES										
Current:										
General Government	1,578,896	1,590,465	1,406,741	1,347,294	1,287,204	1,253,818	1,369,776	1,285,567	1,153,735	1,185,993
Public Works	2,143,101	1,494,045	1,419,126	1,204,033	1,016,740	2,202,571	867,043	944,862	763,002	890,041
Intergovernmental Programs										
Capital Outlay	687,049	117,901	195,108	293,121	105,898	160,443	170,178	177,767	1,022,069	466,304
Debt Service:										
Principal Retirement	-	1,540,000	1,480,000	1,425,000	1,365,000	1,315,000	1,230,000	1,190,000	1,115,000	1,060,000
Interest and Fiscal Charges	-	57,750	113,250	171,250	224,850	277,450	326,650	363,854	541,828	600,128
Bond Agent Fees	-	-	500	-	-	1,000	-	500	102,991	300
Total Expenditures	4,409,046	4,800,151	4,614,725	4,440,698	3,999,692	5,210,282	3,963,647	3,962,550	4,698,625	4,202,766
% change from prior year	-8.15%	4.02%	3.92%	11.03%	-23.23%	31.45%	0.03%	-15.67%	11.80%	10.53%
Excess of Revenues Over Expenditures	1,203,911	-6,906	151,361	645,790	1,084,083	737,147	1,978,979	1,287,814	603,718	775,467
OTHER FINANCING SOURCES (USES)										
Proceeds from Refunding Bonds	-	-	-	-	-	-	-	-	9,815,531	-
Pay to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	(9,712,840)	-
Transfers In	-	32,914	-	-	-	-	-	-	-	-
Proceeds from Sale of Assets	45,300	4,500	23,700	7,000	-	-	-	-	-	-
Transfers to Other Funds	(369,859)	(377,321)	(343,000)	(312,685)	(362,000)	(353,632)	(356,430)	(155,800)	(324,377)	(313,227)
Net Other Financing Sources (Uses)	(324,559)	(339,907)	(319,300)	(305,685)	(362,000)	(353,632)	(356,430)	(155,800)	(221,686)	(313,227)
Net Change in Fund Balances (3)	\$ 879,352	\$ (346,813)	\$ (167,939)	\$ 340,105	\$ 722,083	\$ 383,515	\$ 1,622,549	\$ 1,132,014	\$ 382,032	\$ 462,240
Debt Service Principal & Interest (4)	0.00%	34.12%	36.05%	38.49%	40.83%	31.53%	41.03%	41.06%	45.06%	44.43%
as a Percentage of Non-capital Expenditures										

(1) This schedule reports using the modified accrual basis of accounting.

(2) See Page 76 for additional detail for property taxes.

(3) See Page 81 for ending fund balances for reported years.

(4) Calculation of Debt Service as a Percentage of Non-Capital Expenditures changed to include interest in 2011 and exclude capital outlay in 2013; correction made to all years presented. The ratio can be recalculated as principal retirement, interest and fiscal charges divided by total expenditures, exclusive of capital outlay.

CASTLE PINES METROPOLITAN DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Actual Value		Commercial Property	Exempt	Total		Total Assessed Value	Total Mills
	Residential & Vacant Land				Taxable Value			
2007	\$	1,409,074,939	\$ 42,058,888	\$ 18,770,570	\$ 1,469,904,397	\$	123,101,429	33.834
2008		1,488,155,565	39,235,419	18,007,502	1,545,398,486		135,933,570	33.834
2009		1,687,692,736	42,951,072	11,870,274	1,742,514,082		140,727,510	33.834
2010		1,709,718,913	44,602,838	10,822,609	1,765,144,360		158,752,110	33.834
2011		1,467,391,843	37,723,013	10,884,523	1,515,999,379		161,013,520	33.834
2012		1,467,521,805	37,153,752	10,863,323	1,515,538,880		135,933,040	33.834
2013		1,347,015,897	33,878,662	9,161,412	1,390,055,971		135,450,610	33.834
2014		1,357,879,153	34,375,771	9,208,852	1,401,463,776		124,702,921	33.834
2015		1,612,336,821	40,271,567	10,076,952	1,662,685,340		125,381,120	33.834
2016	\$	1,640,895,795	\$ 39,756,032	\$ 10,418,801	\$ 1,691,070,628	\$	147,869,890	33.834

Source: Douglas County Assessor's Office.

Notes: Residential property is assessed on market sales, using historical data from the prior 18 months. Properties are reassessed once every two years, on odd numbered years.

CASTLE PINES METROPOLITAN DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	District Direct Rates			Overlapping Rates (1)									
	General		Total Direct Rate	Douglas County		Douglas County		Douglas County		Douglas County		Douglas County	
	General Fund Rate	Obligation Debt Service		School District	County	Cedar Hill Cemetery	Public Library District	South Metro Fire Rescue	Law Enforcement Authority	Urban Drainage and Flood Control District	Cherry Creek Basin Water Quality Authority		
2007	21.024	12.810	33.834	46.500	19.774	0.167	4.044	9.377	4.500	0.568	n/a		
2008	21.024	12.810	33.834	47.103	19.774	0.114	4.052	9.452	4.500	0.591	n/a		
2009	22.374	11.460	33.834	46.681	19.774	0.233	4.016	9.362	4.500	0.569	n/a		
2010	23.284	10.550	33.834	46.890	19.774	0.157	4.034	9.541	4.500	0.576	n/a		
2011	23.134	10.700	33.834	48.788	19.774	0.149	4.040	9.661	4.500	0.623	n/a		
2012	25.434	8.400	33.834	48.727	19.774	0.168	4.068	9.519	4.500	0.657	n/a		
2013	25.434	8.400	33.834	48.277	19.774	0.187	4.029	9.444	4.500	0.000	n/a		
2014	25.434	8.400	33.834	48.277	19.774	0.187	4.032	9.319	4.500	0.700	0.500		
2015	24.624	9.210	33.834	42.439	19.774	0.160	4.035	9.344	4.500	0.058	0.553		
2016	33.834	0.000	33.834	41.064	19.274	0.162	4.016	9.250	4.500	0.620	n/a		

Source: Douglas County Assessor's Office.

Notes: The District's basic property tax rate may be increased only by a majority vote of its residents. Rates for debt service are set based on each year's requirements.

(1) There are numerous Tax Districts located within Castle Pines Village. Overlapping rates may not effect every homeowner.

CASTLE PINES METROPOLITAN DISTRICT

Principal Property Tax Payers Current Year and Nine Years Ago (Unaudited)

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Castle Pines Property LLC (Commercial)	\$ 4,874,390	1	3.30%	\$ -	-	-
Castle Pines Golf Club Inc (Commercial)	1,027,480	2	0.69%	954,740	5	.70%
R&R LLC (Commercial)	971,500	3	0.66%	-	-	-
CCCP Real Estate Holding, LLC (Commercial)	787,020	4	0.53%	838,410	6	.61%
David Lininger (Residential)	784,120	5	0.53%	2,186,690	2	1.60%
Castle Pines Golf Club Inc (Personal)	672,820	6	0.46%	-	-	-
Janice Sanger (Residential)	560,240	7	0.38%	1,934,310	3	1.42%
Country Club at Castle Pines (Personal)	499,460	8	0.34%	-	-	-
Guaranty Bank and Trust Co	401,370	9	0.27%	-	-	-
Hardison Investments	388,420	10	0.26%	-	-	-
VSW, Inc.	-	-	-	1,239,810	4	.91%
James DeFranco	-	-	-	636,800	7	.46%
Joe Michael Beane	-	-	-	580,000	8	.42%
Fred Bartlit	-	-	-	572,800	9	.42%
Shamrock Investments, LLC	-	-	-	571,990	10	.42%
Village at Castle Pines, LLLP	-	-	-	4,163,570	1	3.06%
Total	<u>\$ 10,966,820</u>		<u>7.42%</u>	<u>\$ 13,679,120</u>		<u>10.02%</u>

Source: Douglas County Assessor's Office

CASTLE PINES METROPOLITAN DISTRICT

Governmental Funds Property Tax Levies and Collections (1) (Unaudited)

Last Ten Years

Levy Year	Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2007	4,165,013	4,131,992	99.2%	(27,808)	4,104,184	98.5%
2007	2008	4,599,177	4,576,387	99.5%	14,442	4,590,830	99.8%
2008	2009	4,761,374	4,651,244	97.7%	35,102	4,686,346	98.4%
2009	2010	5,371,219	5,281,030	98.3%	53,271	5,334,301	99.3%
2010	2011	5,447,732	5,355,115	98.3%	13,528	5,368,643	98.5%
2011	2012	4,599,159	4,518,029	98.2%	17,245	4,535,274	98.6%
2012	2013	4,582,836	4,498,060	98.2%	14,632	4,512,691	98.5%
2013	2014	4,219,199	4,158,417	98.6%	14,727	4,173,144	98.9%
2014	2015	4,242,145	4,237,869	99.9%	486	4,238,355	99.9%
2015	2016	\$ 4,915,396	\$ 4,959,565	100.9%	(196)	\$ 4,959,368	100.9%

(1) New format breaks out Collected Taxes within the Fiscal Year Levy, and additional delinquent taxes and interest collected for subsequent years. New Format has been adjusted for all fiscal years.

CASTLE PINES METROPOLITAN DISTRICT

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Governmental Activities			Business-type Activities							
Fiscal Year	Population	General Obligation Bonds	2003							
			Water & Sewer Revenue Bonds (2)	DWRF Loan \$2M (3)	DWRF Loan \$250K (4)	DWRF Loan \$1,471,485 (9)	Total Primary Government	Percentage of Personal Income (7)	Debt Per Capita	
2007(1)	4,196	11,023,789	1,351,242	1,959,174	247,165	-	-	14,581,370	-	3,475
2008(5)	4,343	9,762,691	1,191,252	1,886,872	238,369	-	-	13,079,184	-	3,012
2009	4,392	8,541,593	1,037,779	1,811,834	229,240	-	-	11,620,446	9713%	2,646
2010	4,409	7,280,495	874,306	1,733,955	219,766	-	-	10,108,522	8919%	2,293
2011	4,418	5,934,397	717,360	1,653,130	209,934	-	-	8,514,821	7213%	1,927
2012	4,446	4,538,299	548,887	1,569,244	199,729	-	-	6,856,159	6220%	1,542
2013 (8)	4,501	3,097,296	390,000	1,482,183	189,138	-	-	5,158,617	5006%	1,146
2014	4,628	1,578,649	200,000	1,391,826	178,146	-	-	3,348,621	4175%	724
2015 (6)	4,715	-	-	1,298,049	166,738	-	-	1,464,787	1378%	311
2016	4,784	\$ -	\$ -	\$ 1,200,723	\$ 154,898	\$ 1,405,869	\$ 2,761,490	***	\$ 577	

(1) Effective 2007, number of domestic metered accounts X 2.88 people per household;
US Census Bureau Info for Douglas County, CO

(2) 2003 Water & Sewer Revenue Bonds were secured to pay off existing Revenue Bonds at a lower interest rate

(3) DWRF Loan was secured in May 2006 to fund a Pipeline and Transfer Pump Station

(4) Additional DWRF Loan was secured in November 2006 to fund total project

(5) GO Bond was refinanced in December 2008

(6) GO Bond and 2003 Water & Sewer Revenue Bond was paid in full in 2015

(7) Ten years of data is not available at this time and will be accumulated over time. See the schedule of Demographic and Economic Statistics - Douglas County on page 82 for personal income. 2016 information is not yet available.

(8) Deferred charges on advance refunding excluded from total outstanding liability due to implementation of GASB 65.

(9) In 2016, a DWRF Loan was secured for \$1,471,485 to fund a Water Transfer Line in the Summit.

CASTLE PINES METROPOLITAN DISTRICT
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Years
(Unaudited)

	2016	2015	2014	2013 (5)	2012	2011	2010	2009	2008	2007
General Bonded Debt Outstanding										
General Obligation Bonds (1) (3)	\$ -	\$ -	\$ 1,578,649	\$ 3,097,296	\$ 4,538,299	\$ 5,934,397	\$ 7,280,495	\$ 8,541,593	\$ 9,762,691	\$ 11,023,789
Total	-	-	1,578,649	3,097,296	4,538,299	5,934,397	7,280,495	8,541,593	9,762,691	11,023,789
Less: Amounts Set Aside to Repay										
General Debt	-	-	492,999	1,052,645	1,529,866	1,992,464	1,890,014	1,779,990	1,739,517	1,785,407
Total Net Debt Applicable to Debt Limit	-	-	1,085,650	2,044,651	3,008,433	3,941,933	5,390,481	6,761,603	8,023,174	9,238,382
Total Taxable Value	1,691,070,628	1,662,685,340	1,401,463,776	1,390,055,971	1,515,538,880	1,515,999,379	1,765,144,360	1,742,514,082	1,545,398,486	1,469,904,397
Percentage of Estimated Actual Property Value (2)	0.00%	0.00%	0.08%	0.15%	0.20%	0.26%	0.31%	0.39%	0.52%	0.63%
Total Taxable Value Per Capita	353,485	352,637	302,823	308,833	340,877	343,142	400,350	396,747	355,837	336,286
Net General Bonded Debt Per Capita	-	-	235	454	677	892	1,223	1,540	1,847	2,114
Population	4,784	4,715	4,628	4,501	4,446	4,418	4,409	4,392	4,343	4,371
Legal Debt Limit	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Legal Debt Margin (4)	\$ 55,000,000	\$ 55,000,000	\$ 53,421,351	\$ 51,902,704	\$ 50,461,701	\$ 49,065,603	\$ 47,719,505	\$ 46,458,407	\$ 45,237,309	\$ 43,976,211
Legal Debt Margin as a Percentage of the Debt Limit	100%	100%	97%	94%	92%	89%	87%	84%	82%	80%

(1) Starting 2012, the General Bonded Debt Outstanding includes, Total GO Bond Debt, Deferred amount on refunding, and bond premium.

(2) Calculation of the net general bonded debt outstanding as a percentage of estimated actual property value changed in 2013 to reflect the net debt outstanding, and to show the ratio of net debt divided by total taxable value; correction made to all years presented.

(3) General Obligation Bonds paid in full in 2015.

(4) New bonded debt is subject to voter approval.

(5) Deferred charges on advance refunding excluded from total outstanding liability due to implementation of GASB 65.

CASTLE PINES METROPOLITAN DISTRICT

Direct and Overlapping Governmental Activities Debt (Unaudited)

December 31, 2016

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government (2)	Amount Applicable to Government
Direct:			
Castle Pines Metropolitan District (1)	\$ -	0.00%	\$ -
Overlapping:			
Douglas County School District Re. 1	305,059,571	2.06%	6,284,227
Total	<u>\$ 305,059,571</u>		<u>\$ 6,284,227</u>

Source: Douglas County School District Re.1 and District's General Obligation Bond document.

(1) GO Bond paid in full in 2015

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values.

The applicable percentage was estimated by taking the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents of Castle Pines Village. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents should be taken into account. This does not, however, imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

CASTLE PINES METROPOLITAN DISTRICT

Pledged Revenue Coverage Water & Sewer Bonds (1) (Unaudited)

Last Ten Years

Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Services	Debt Service Requirements (4)		Coverage
				Principal	Interest	
2007	3,015,409	2,469,991	545,418	155,000	51,265	2.64
2008	3,314,366	2,384,321	930,045	160,000	47,855	4.47
2009	3,352,675	2,200,528	1,152,147	160,000	43,775	5.65
2010	3,768,149	2,334,438	1,433,711	170,000	39,215	6.85
2011	3,683,828	2,262,060	1,421,768	170,000	33,945	6.97
2012	3,910,575	2,524,622	1,385,953	175,000	28,165	6.82
2013	3,623,218	2,463,890	1,159,328	185,000	21,865	5.60
2014	3,413,192	2,486,408	926,784	190,000	15,020	4.52
2015 (5)	3,606,541	2,550,561	1,055,980	200,000	7,800	5.08
2016	3,951,773	2,583,783	1,367,990	-	-	-

(1) The District initially issued revenue bonds in 1996.

(2) Total Proprietary Fund revenues exclusive of tap fees, revenue rebates, net meter sales and transfers.

(3) Total Proprietary Fund operating expense exclusive of depreciation.

(4) Includes principal and interest of revenue bonds only.

(5) 2003 Water & Sewer Bond paid in full in 2015.

CASTLE PINES METROPOLITAN DISTRICT

Demographic and Economic Statistics - Castle Pines Metro District Last Ten Years (Unaudited)

Calendar Year	Population (1)	Number of Domestic Water Taps	Number of Domestic Irrigation Taps	Number of Flat Rate Taps	Total Taps	Avg. Consumption of Domestic Water Taps in Winter	Avg. Consumption of Domestic Water Taps in Summer	Annual Billed Gallons All Meters
2007	4,196	1,457	129	56	1,642	5,685 gal	39,105 gal	294,224,000
2008	4,343	1,508	131	30	1,669	6,240 gal	48,344 gal	331,459,000
2009	4,392	1,525	131	13	1,669	5,538 gal	28,109 gal	266,859,000
2010	4,409	1,531	133	7	1,671	5,010 gal	30,624 gal	305,594,000
2011	4,418	1,534	133	7	1,674	5,142 gal	32,316 gal	300,513,000
2012	4,446	1,544	133	11	1,688	5,102 gal	30,371 gal	324,186,000
2013	4,501	1,563	135	19	1,717	4,714 gal	35,342 gal	286,423,000
2014	4,628	1,607	134	19	1,760	4,719 gal	33,437 gal	270,553,000
2015	4,715	1,637	135	19	1,791	4,502 gal	29,475 gal	282,718,000
2016	4,784	1,661	136	11	1,808	4,739 gal	30,267 gal	309,885,000

Sources: All information provided by the District from billing software data.

(1) Number of domestic metered accounts X 2.88 people per household;
US Census Bureau Info for Douglas County, CO

CASTLE PINES METROPOLITAN DISTRICT
Demographic and Economic Statistics - Douglas County (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Median Household Income (2)		Per Capita Income (2)		Unemployment Rate (3)	
	Douglas County	Castle Pines Village (4)	Douglas County	Castle Pines Village (4)	Douglas County	Douglas County
2007	\$ 92,824		\$ 40,897		3.1%	
2008	98,871		40,526		4.2%	
2009	99,409	\$ 213,929	41,578	\$ 119,635	6.2%	
2010	94,909	203,438	39,228	113,339	7.0%	
2011	93,573	208,008	41,645	118,043	6.3%	
2012	95,324	202,431	42,112	110,230	5.9%	
2013	102,961	206,343	44,419	103,040	5.3%	
2014	103,226	203,967	44,704	80,215	4.0%	
2015	107,650	216,384	45,500	106,285	3.1%	
2016	**	**	**	**	**	**

(1) Ten years of data is not available at this time, but will be accumulated over time.

(2) Source: Douglas County Community Planning and Sustainable Development

(3) Source: Colorado Department of Labor and Employment

(4) Castle Pines Village - 5 year rolling estimate

** 2016 Data not yet available

CASTLE PINES METROPOLITAN DISTRICT

Principal Employers in Douglas County Current Year and Seven Years Ago (1) (Unaudited)

Top Ten Employers in Douglas County	2016			2009		
	Approx. # of Employees	Rank	% Total Employment	Approx. # of Employees	Rank	% Total Employment
Douglas County School District	1,555	1	8%	1,500	1	10%
Douglas County Government	1,195	2	6%	1,180	2	8%
Town of Castle Rock Government	720	3	3%	545	3	4%
King Soopers Grocers (3 stores)	420	4	2%	350	5	2%
Wal-Mart	300	5	1%	380	4	3%
Castle Rock Adventist Hospital	285	6	1%			
Hudick Excavating	245	7	1%	125	10	1%
TPM Staffing Services	230	8	1%			
Brookside Inn (nursing home)	160	9	1%	170	6	1%
Douglas County Library (CR & CPN)	150	10	1%	150	7	1%
Home Depot				125	9	1%
Safeway Grocers (2 stores)				145	8	1%
Total	5,260		25%	4,670		32%

Source: Douglas County Community Planning and Sustainable Development

(1) Ten years of data is not available, but will be accumulated over time.

CASTLE PINES METROPOLITAN DISTRICT

Full-time Equivalent District Government Employees by Function Last Ten Years (Unaudited)

Full-time Equivalent Employees as of December 31 (1)

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government	9	7	8	8	8	7	7	7	8	7
Seasonal/Part-time	17	16	13	13	12	15	14	14	13	13
Water & Sewer	1	1	1	1	2	3	3	3	1	1
General Government/Water & Sewer	7	8	9	9	10	9	9	9	9	11
Total	34	32	31	31	32	34	33	33	31	32

Source: District Payroll Department

(1) A number of FTE employees are split 34% general fund and 66% enterprise fund for budget purposes.

CASTLE PINES METROPOLITAN DISTRICT
Operating Indicators by Function
(Unaudited)

Function	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
General Government:											
Site Plan Reviews	7	29	65	30	18	9	1	-	18	76	
CO Letters Issued	25	34	39	18	10	2	10	23	62	97	
Public Works:											
Miles of Streets in Lane Miles (maintained) (1)	86.00	86.00	88.11	88.11	88.11	88.11	88.00	88.00	88.00	82.80	
Area in Square Miles	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.68	4.40	
Number of Street Lights	122	122	122	122	120	120	120	120	120	119	
Number of Fire Hydrants	457	455	455	450	438	438	414	414	414	411	
Water Utilities:											
Miles of Sanitary Sewer (collection only, no trtmnt)	55.09	55.09	54.99	53.74	53.36	53.36	53.36	53.36	53.36	53.36	
Number of Sewage Service Connection	1,699	1,684	1,657	1,605	1,582	1,561	1,562	1,562	1,562	1,517	
Miles of Water Mains (2)	63.43	63.43	62.20	62.02	59.90	59.90	59.90	59.90	59.90	74.21	
# of Sub-Association Homes/Irrg Taps	425	421	408	388	381	377	375	375	375	375	
# of Custom Homes/Irrg Taps	1,057	1,049	1,042	1,035	1,031	1,026	1,025	1,025	1,023	1,013	
# of Other Connections/Irrg Taps/Commercial	326	321	310	294	276	271	271	269	271	254	
Total Number of Service Connections (Includes Irrigation & Flat Rates)	1,808	1,791	1,760	1,717	1,688	1,674	1,671	1,669	1,669	1,642	
Total Produced Water (MG) - Annually	371,900	321,624	343,400	362,600	397,700	412,500	360,000	322,100	408,000	342,800	
Daily Average Production in Gallons	1,018,905	881,163	978,213	918,463	1,008,149	979,251	936,171	876,440	1,088,035	911,736	
Total AC FT per year	1,141	987	1,053	1,112	1,220	1,265	1,104	988	1,252	1,052	
Total Billed Gallons (MG)/Treated Water/Annually	309,885	282,718	270,553	286,423	324,186	300,513	305,594	266,859	331,459	294,224	
Total Raw Water (MG) - Billed Annually	33,379	25,512	20,368	21,809	24,769	30,597	26,300	18,657	29,166	21,392	
Max Daily Treatment Capacity/2 WTP's (3)	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	3,100,000	3,100,000	

Source: CPMD Infrastructure Maps; Billing Reports

- (1) Miles of Streets in Lane Miles adjusted in 2015, due to new software mapping
 (2) Miles of Water Mains adjusted on prior years
 (3) 3rd Filter Added @ WTP 2 - 1MGD

CASTLE PINES METROPOLITAN DISTRICT

Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General & Public Works										
Streets - Lane Miles (1)	86.00	86.00	88.11	88.11	88.11	88.11	88.00	88.00	88.00	82.80
Streetlights	122	122	122	122	120	120	120	120	120	119
Number of Vehicles	16	16	16	16	16	16	16	16	16	11
Water & Sewer										
Miles of Water Mains (2)	63.43	63.43	62.20	62.02	59.90	59.90	59.90	59.90	59.90	74.21
Miles of Sewer Mains	55.09	55.09	54.99	53.74	52.39	52.39	n/a	n/a	n/a	n/a
Fire Hydrants	457	455	455	450	438	438	414	414	414	411
Daily Avg Production - Gallons	1,018,904	881,163	895,375	918,463	1,008,149	979,251	936,171	876,440	1,088,035	911,736
Storage Capacity - Gallons	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	3,100,000	3,100,000	3,100,000
Number of Vehicles	1	1	1	1	2	2	2	2	2	2

Source: CPMD Infrastructure Maps; CPMD Water Production Reports

(1) Miles of Streets - Lane Miles adjusted for prior years

(2) Miles of Water Mains adjusted for prior years